Embassies at Risk
*Smith Hempstone*

# THE NATIONAL INTEREST

## Defense: Raise the Anchor or Lower the Ship
*James Schlesinger*

## What Next for NATO?
*Zbigniew Brzezinski*

Paul Wolfowitz on Richard Holbrooke

## Destroying South Africa's Democracy
USAID, the Ford Foundation, and Civil Society
*R.W. Johnson*

*The Banality of I.R. Studies*
James Kurth

*Salisbury: A Model for Aspiring Imperialists*
Anatol Lieven

Asia, Gray and Male
*Nicholas Eberstadt*

Indonesia and America
*Andrew MacIntyre*

Hong Kong's Bad Start
*Robert Elegant*

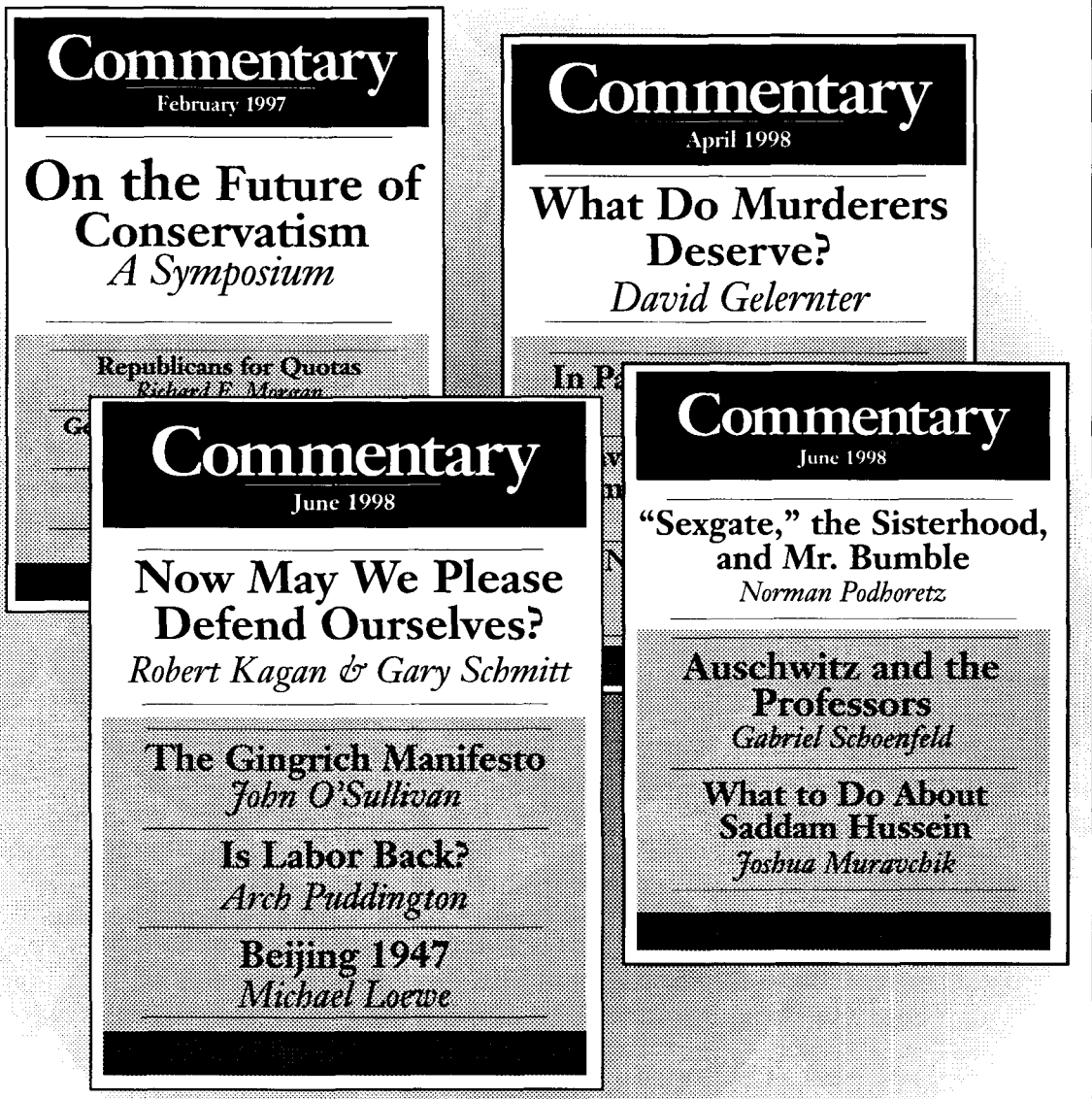
McCarthy and China Studies
*Richard L. Walker*

*Essays & Comments:*
Robert Beisner, Daniel Drezner, Eric Jones, Diana Schaub, Owen Harries

Number 53 • Fall 1998 • $7.00

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# "Nothing like it."
## —A.M. Rosenthal




# Commentary

*The best minds. The most important issues.*

**$45.00 for 12 issues • Subscribe Today! • $79.00 for 24 issues**

**Call 1 (800) 829-6270**


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# THE NATIONAL INTEREST

*PUBLISHER*
Irving Kristol

*CHAIRMAN OF THE ADVISORY BOARD*
Conrad Black

*ADVISORY BOARD*
Eliot A. Cohen
Midge Decter
Martin Feldstein
Francis Fukuyama
Samuel P. Huntington
Josef Joffe
Chalmers Johnson
H.J. Kaplan
Jeane J. Kirkpatrick
Henry A. Kissinger
Charles Krauthammer
Daniel Pipes
Paul D. Wolfowitz

*CONTRIBUTING EDITORS*
Robert W. Tucker
Anthony Hartley (Europe)

*EDITOR*
Owen Harries

*EXECUTIVE EDITOR*
Adam Garfinkle

*MANAGING EDITOR*
Erica Tuttle

*ASSISTANT MANAGING EDITOR*
Michelle Brawer

*EDITORIAL OFFICE*
1112 Sixteenth Street NW, Suite 540, Washington, DC 20036
Telephone (202) 467-4884 Fax (202) 467-0006
Internet: http://www.nationalinterest.org E-mail: natint@clark.net

*SUBSCRIPTION OFFICE*
$26 for one year, $44 for two years, $59 for three years.
Outside the U.S. and Canada, please add $10 annually.
Please send orders, subscription inquiries, and address changes to:
The National Interest, P.O. Box 622, Shrub Oak, NY 10588-0622, or call (914) 962-6297.
All other inquiries should be directed to the editorial office.

*NEWSSTAND DISTRIBUTORS*
Bernhard DeBoer, Inc., 113 East Centre Street, Nutley, NJ 07110
Ingram Periodicals, 1240 Heil Quaker Boulevard, La Vergne, TN 37086-7000

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE NATIONAL INTEREST

NUMBER 53, FALL 1998

## Contents

*ARTICLES*

Defense: Raise the Anchor or Lower the Ship
*James Schlesinger* 3

NATO: The Dilemmas of Expansion
*Zbigniew Brzezinski* 13

Destroying South Africa's Democracy
*R.W. Johnson* 19

Inside the Cave: The Banality of I.R. Studies
*James Kurth* 29

The Indonesian Debacle
*Andrew MacIntyre* 41

Embassies at Risk
*Smith Hempstone* 53

Asia Tomorrow, Gray and Male
*Nicholas Eberstadt* 56

Serious About Sanctions
*Daniel W. Drezner* 66

Salisbury: A Model for Imperialists
*Anatol Lieven* 75

City of Bad Omens
*Robert Elegant* 85

China Studies in McCarthy's Shadow
*Richard L. Walker* 94

*BOOKS*

The Man Who Saved the Day—Sort of
*Paul Wolfowitz* 102

Machiavelli's Realism
*Diana Schaub* 109

Strong State, Weaker Theory
*Robert L. Beisner* 113

Globalism and the American Tide
*Eric Jones* 116

*CORRESPONDENCE*

*James Lee, Anne-Elisabeth Moutet, Herb Greer, Keith Payne, Mark Clark, Eric Jones* 120

*QUARTERLY*

America and the Euro Gamble
*Owen Harries* 125

THE NATIONAL INTEREST (ISSN 0884-9382) is published quarterly in Spring, Summer, Fall, and Winter issues by National Affairs, Inc. Articles appearing in this journal are abstracted and indexed in P.A.I.S., Historical Abstracts, International Political Science Abstracts, U.S. Political Science Documents, Political Science Abstracts, and America: History and Life; and available on microfilm from University Microfilms International. Periodicals postage is paid at Washington, D.C., and at additional mailing offices. © 1998 by National Affairs, Inc. *The National Interest* is printed by William Byrd Press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Raise the Anchor or Lower the Ship

## *Defense Budgeting and Planning*

James Schlesinger

*It is not the strongest of the species that survives, nor the most intelligent, but rather the one most adaptable to change.*

Charles Darwin

*Strategy is always simple, but it is not for that reason easy.*

Karl von Clausewitz

SINCE THE DAYS of Athens and Sparta history is replete with states that have acquired pre-eminence, have then become complacent in their moment of triumph, and have thereby failed to recognize and to correct emerging weaknesses. There is at least a growing risk that the United States, given its present foreign policy course, will follow in this unhappy tradition. The danger lies in the developing mismatch among our foreign policy ambitions, our strategy, our forces, and the resources we are prepared to devote to achieving our foreign policy and defense goals.

That is not to say that the dangers are imminent, or that the United States, like those earlier great powers, faces the prospect of being defeated or overrun. For a long time, we shall have far too much raw power for such an outcome. Yet, unless we pay attention to the emerging mismatch, over time we are likely to suffer foreign policy and military setbacks—avoidable setbacks. We can, no doubt, carry on for a few more years on our present course without undue harm resulting. Ultimately, however, our neglect of deeper seated problems will catch up with us.

The prevailing condition of American preponderance, in which few regions of the world are beyond our reach or influence, is not only exceptional but artificial. It was brought about by the sudden and unexpected collapse of the Soviet Union and the end of Cold War bipolarity. Inevitably, this exceptional period must fade, and to that we shall have to adjust. But beyond that inevitable adjustment, we shall have to make a fundamental choice among (1) spending far more on defense than we are spending, (2) retrenching on our present, ambitious foreign policy, and (3) accepting the higher levels of international risk involved in maintaining our existing commitments while allowing our defense capability to decline, which would tempt others to challenge us. We shall be forced to make that choice because of the developing strategy-forces-budget mismatch. Sooner rather than later, it will be a case of raise the anchor or lower the ship.

---

James Schlesinger is chairman of the MITRE Corporation and counselor at CSIS. He has served as secretary of defense, secretary of energy, and director of central intelligence. This essay is an expanded version of testimony delivered to the U.S. Senate Armed Services Committee on January 29, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

*The Underlying Resource Problem*

THE FIRST element in the emerging mismatch is the prosaic one of resources. The United States has embraced the role of the world's principal stabilizing power, the one universal power. Yet military spending continues to decline both relatively and absolutely. Even now, the resources we are prepared to devote to defense are, at best, only marginally adequate for our mission—even in the favorable and exceptional circumstances of U.S. preponderance and the absence of a peer-competitor. Since we are now living on capital, extensively if not recklessly, the condition of the military services must inevitably deteriorate—unless there is a significant increase in spending authority. Such an increase is precluded by the existing budget agreements, which, at best, hold military spending flat. In truth, there continues to be a slow diminution in real terms.

Currently, the United States spends barely more than 3 percent of its gross domestic product on defense. There is no way that the United States can sustain over time the forces that the Clinton administration states to be essential—or the foreign policy that those forces support—on 3 percent of the GDP.[1] That is not a matter of analysis; it is simple arithmetic. To continue to fulfill our present commitments and to re-equip the approved force levels for the more challenging years of the next century would require roughly 4 percent of the GDP. That should not appear as a surprising figure for a nation that aspires to be the sole universal power. Even before Pearl Harbor, in Fiscal Year 1941, the United States spent 4.1 percent of its GDP on defense. Yet despite growing requirements for procurement funding to re-equip the forces, increasingly tenuous states of readiness, and a growing problem in recruitment and retention of military personnel, the percentage of GDP projected to be spent on defense continues to decline to 2.6 percent in FY 2002. Quite simply, with these budgetary limits there is no way to get there—that point in the twenty-first century when the United States should be able to field the forces the administration states are required to meet the military challenges—from here.

Throughout this decade, we have been shielded from the necessity of major procurement expenditures, first, by the substantial shrinkage of the force structure and, second, by allowing the principal equipments inherited from the Cold War years to age. Obviously, such action is tolerable only in the short run. The United States now spends just over $40 billion a year on procurement. Yet depreciation on our military equipment (at replacement cost) runs to over $100 billion per year.[2] Moreover, there is the additional cost of building an appropriate inventory of sophisticated munitions, and, in the longer run, the need to maintain, and ultimately update or replace, hardware-related facilities for development and testing.

In short, the United States has been enjoying an extended procurement holiday. Quite early in the next century, at the latest, we shall be obliged to spend far greater sums on procurement. Alternatively, we can watch the force structure itself age and erode—until it will no longer be capable of sustaining the ambitious world role that we have embraced.

Take the case of the Navy. At our current rate of procurement, some six ships a year, the Navy would shrink to a force of just over two hundred ships—a reduction of more than 60 percent from the Reagan years. Would such a force be sufficient to provide the worldwide presence to match our responsibilities, in a period in which the challenge will certainly have grown much more formidable than it is in today's favorable circumstances? The ques-

[1]Department of Defense, *Report of the Quadrennial Defense Review* (Washington, DC: 1997), p. 44.

[2]See the continuously updated, meticulously detailed analysis of defense spending by the Center for Strategic and International Studies: Dan Gouré and Jeffrey Ranney, *At the Dawn of the New Millennium: Averting the Coming DOD Train Wreck* (Washington, DC: CSIS, May 1998).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion is almost rhetorical. The answer is: obviously not. It would make painfully true, once again, Kipling's observation early in the century: "Far-flung our navies melt away." Yet, what has been stated for Navy ships is probably equally pertinent and more pressing for tactical aircraft and, down the line, for ground forces equipment.

What are the prospects? They do not appear particularly promising. In the period after 2010 the Department of Defense (DOD) believes that a new peer-competitor of the United States may emerge.[3] That would also be the time, according to recent pronouncements, when we shall be proceeding to expand NATO to include portions of the former Soviet Union. But as well, it will be the time when expenditures on entitlements programs will be escalating, as the baby boom retires—and the overall budget is projected to go severely into deficit. And last, it is at that very same time that the effects of the aging of major items of equipment and the erosion of our military capabilities will become apparent. Unless we were to alter our present course, in that combination of circumstances we would have no prudent choice but to retrench on our foreign policy objectives and commitments.

Budgets are flexible. Thus we might solve the problem of the arrears in procurement through reallocation. In theory, we could reduce funds for operations and further shrink the present force structure—and thereby provide more funds for modernization. While in principle we should be able to do so, in practice we would encounter formidable difficulties. The operations tempo of the U.S. Armed Forces is now at an all-time peak for peacetime. Force deployment in the post-Cold War years, driven by "military operations other than war", has been far more frequent, far larger, and of far longer duration than during the Cold War itself. That is a reflection of our expanded foreign policy role and of our willingness, in practice if not in theory, regularly to serve as the world's policeman. The myriad problems of ethnic unrest, internal conflict, and occasional external aggression have regularly, though not invariably, resulted in a U.S. response. The result is an awesomely high operation tempo for the services—one which they are sustaining only with difficulty and at a higher long-run cost in readiness, morale, and retention rates. In the case of the Army, a recent count showed 34,000 soldiers on temporary duty in eighty-one countries. Included in this count are many reservists. How long they will be prepared to accept being taken away from their families and their careers remains to be seen.

The effects on morale and, consequently, retention rates are particularly worrisome. The lower the retention rate, the higher the exodus of the more qualified personnel from the services tends to be. Pilot retention is particularly a problem. In the past, pilots for the most were eager to stay in the military. But with lowered morale, extended time away from their families, and the availability of high-paying, fixed-hour jobs with the airlines, they have been departing in droves. Last year, only 36 percent of Air Force pilots agreed to stay on, down from 60 percent two years earlier. Though the Air Force has raised the bonus offer from $60,000 to $110,000 for a five-year extension, there is no sign that it will be able to reach its 50 percent goal for retention. The Navy is reported to be in even worse shape. One must bear in mind that the cost of training a pilot is roughly $6 million. So, even aside from the implications for force readiness, the costs are high. In practice, that means a continuous subsidy by the services to the airlines.

The upshot is that the existing force structure is under strain given the present level of activity. Further shrinkage of the force structure would seem implausible as a way of obtaining savings to fund the necessary re-equipping of the services in the decades ahead. It is also an irony that the smaller the force structure, the greater is the cost in time

[3]The Quadrennial Defense Review report cites the emergence of a regional threat around 2010 and a peer-competitor around 2014. See pp. 15-17.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in moving the forces around and the higher tends to be the operation tempo rate.

To be sure, that tempo could be trimmed. We should certainly review the training regime of the services, which has not changed since the end of the Cold War. With the Goldwater-Nichols Act, the regional commanders-in-chief have added on additional requirements, while the service requirements have not notably shrunk. We do need an overall review to see whether the operation tempo rate can be reduced. But any such reduction would only be at the margin. We must recognize that, given our present foreign policy aspirations, we can only trim rather than substantially reduce it. As long as this is the case, any hankering to reduce substantially the force structure or the costs of operations remains unachievable.

Since the Bottom-Up Review of 1993, the administration's preferred route for freeing up the resources to provide the funds needed for the procurement account has been the shrinkage of the Cold War infrastructure.[4] The logic is impeccable. The existing base structure could readily support two or three times present force levels. In this decade alone, the force structure has been cut by 40 percent, while the infrastructure has been reduced by only 22 percent.

But while the logic is impeccable, the politics of base reduction, always difficult, is becoming virtually impossible. Base reduction has thus become a kind of *deus ex machina* for budget planners—an increasingly vain hope.[5] Everyone is for base reduction—excepting the locals and those who represent them, the politicians. Base closure invariably encounters local resistance. Even when it is agreed to close a base, it takes far longer and achieves less near-term savings than projected.

In an admirable example of self-restraint, the Congress in 1988 created a procedure for closing bases, Base Realignment and Closure (BRAC), in which the decisions of a commission have to be accepted or rejected in their entirety. All went well until 1996, when the administration tried to fend off the political fallout from closing two major bases, McClellan in California and Kelly in Texas. Since then, the Congress, expressing distrust for the administration, has refused to authorize additional BRACs.

Politics is the art of the possible. While I applaud the closing of additional bases, I find myself increasingly skeptical about those who would treat base closure as a cornucopia that will provide the funds for re-equipping the forces. Increasingly, it has become an excuse for not facing up to the arrears in procurement funding. There are still some twenty major domestic bases to be closed, left over from the BRAC of 1993. To this point, the process has generated less than $6 billion in savings. One notes that the recent Quadrennial Defense Review (QDR) emphasized substantial reductions in civilian personnel. Yet such reductions were dependent upon a base-closing exercise that Congress had earlier announced it would reject, and which it shows no sign of reconsidering. Thus, admirable as a further assault on our oversized infrastructure may be, it holds little prospect for generating the substantial additional savings needed to re-equip the forces.

Another initiative that is similarly attractive in theory but elusive in practice is the outsourcing of selected defense activities to the private sector. In theory, one could obtain greater efficiencies and thereby resource savings that could then be diverted to higher priority military functions. The QDR relied heavily on outsourcing to avoid having to recommend large force structure reductions; subsequently the National Defense Panel, mandated by Congress to review the QDR, has urged the outsourcing of some 600,000 positions in

[4]Secretary of Defense, *Report on the Bottom-Up Review: Forces for a New Era* (Washington, DC: September 1, 1993).

[5]In truth, the budgeteers well understand the numbers. Nonetheless, they are obliged to go along with the senior departmental leadership who have embraced the infrastructure reduction panacea out of conviction or rationalization.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Department of Defense, including the civilianization of certain active military positions.[6] Here again, the practical difficulties are substantial. While pushing outsourcing prudently is sensible and attractive, it means the elimination of civil service jobs. To that the resistance has always been formidable. The latest set of proposals for civil service reform, intended to strengthen management's ability to eliminate poor performance and to provide better incentives for effective performance, has just come crashing down as a result of union lobbying and partisan sniping.

Once again, one should not look to a transformation of the way we conduct our political affairs as a serious prospective source of budgetary manna from heaven to provide the resources to cure our arrears in defense. The American political system will continue to be based upon a dispersion of power in which consensus is more highly valued than efficiency. To obtain the resources necessary to re-equip the forces, we shall need to shrink our foreign policies or (eventually) to increase defense spending. Given our present foreign policy ambitions and our capped defense budget, we cannot get from here to there.

## *The New Strategic Context*

WHY DOES the U.S. Department of Defense continue to require what critics argue are excessive resources? A cacophony of voices argue that (1) the Cold War is over, (2) the principal threat has disappeared, (3) the United States has a substantial edge in military technology, and (4) the United States spends more on its defense establishment (in dollar terms) than all the other militarily significant powers combined. Why, they plaintively inquire, does the DOD require such vast resources?

It is a reasonable question and the answer is complex. In the first place, the United States now regards itself as the single universal power. Only the United States is required simultaneously to balance the substantial nuclear forces remaining in Russia, to maintain worldwide intelligence capabilities, to engage in peacekeeping or peace-enforcing operations in a substantial part of the world, to maintain forces to intervene quickly in several contingencies at vast distances from the United States, to transport safely and sustain those forces in those places, and to preserve freedom of the seas. It is a formidable list—and it goes on. There are newly emerging requirements including missile defense, coping with terrorist threats, and dealing with the challenges and possibilities of Information Warfare. All these could require significant additional resources. That is the price to be paid by a nation that aspires to be the single universal power.

Moreover, the nation in question is a democracy, in which the public must continuously support the general outlines of its foreign policy. Not only that, but it is one that is physically far removed from most of the turbulence or the conflicts in which its leaders desire to intervene. Since the end of the Cold War, the public has lost most of its interest in foreign policy. While the elites seem eager to pay the price of serving as the world's principal stabilizing power, the public is indifferent, if not skeptical.

That means that the requirement imposed by the public on the government is low casualties in intervention. A quick success is preferable, but if an operation is to be dragged out casualties must be low. Otherwise the operation should be avoided or terminated. The public is not prepared to tolerate significant casualties unless there is a direct threat to the United States or its principal allies, or what will be seen as an obvious threat to our interests. Thus, public expectations dramatically narrow the room for maneuver for U.S. leaders. Such are the "lessons" not only from Vietnam, but from Lebanon, Somalia, and Bosnia.

---

[6]Report to Congress from the National Defense Panel, *Transforming Defense: National Security in the 21st Century* (Washington, DC: December 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This implies that the United States must retain the substantial edge in military technology that it demonstrated during the Gulf War. It is that edge, stunning to Saddam Hussein and his generals, that permitted an overwhelming victory with low casualties. Perhaps the U.S. public was spoiled by the Gulf War and has exaggerated expectations regarding how low casualties can regularly be kept in military engagements. Yet that is the psychological reality that our leadership faces.

One should note that such an edge in technology is continuously eroding. The showcasing of such technologies during the Gulf War means that no one will ever again be surprised. The military utility of the Global Positioning System (which provides precise location, velocity, and time to users through signals from our system of twenty-four satellites), satellite photography and other sensors, near-instant communications, Stealth aircraft, and precision-guided weapons is now widely understood. All these gave the United States the Dominant Battlefield Awareness and the Battlefield Dominance that resulted in rapid victory and low casualties.

Technical information is more readily available through the Internet and journals. Classification barriers have been reduced and sometimes eliminated. We now make a virtue of "openness." A globalized economy means that the components of these new technologies are more readily accessible to others, and that our ability to hold them back is reduced. Indeed, services with high military utility are increasingly available commercially and are sometimes free. Signals from the Global Positioning System are available to all. Satellite photography is available at a price.[7] Information on weapons of mass destruction—chemical, biological, and even nuclear—is available to a distressing extent.

The upshot is that the challenge to our international mission is increasing. Yet it is the public constraint on that mission that remains paramount: low casualties. The inference is quite clear. For this mission to remain viable, we must continue to sustain an impressive edge in military technology.

Maintaining such an edge will neither be easy nor cheap. As the nation that has become, before all others, critically dependent upon Information Technology, the United States is now potentially more vulnerable to Information Warfare than other countries.[8] Both its military services and critical civilian infrastructures have come to rely on Information Technology. In light of that degree of reliance, we must be vigilant about our vulnerabilities and develop protective barriers and/or redundancy so that we continue to have an edge.

In brief, we must continue to invest for the long run—and resist the pressure to focus on the short run. To fail to do so is to court disaster. Yet as we look to the future, it is not clear that we are sufficiently attending to our emerging vulnerabilities or our potential strengths.

To maintain our position as the world's leading military power capable of action almost everywhere, we need to sustain that edge in military technology for an additional reason—to deflect and then minimize direct challenges. To no inconsiderable extent the position of a leading power is based upon awe—the conviction that any military provocation will be quickly punished (as was Saddam's in the Gulf War). The loss of the capacity to inspire awe makes a challenge more likely. In order to deter one must be able to intimidate, and to intimidate one must appear formidable. Thus the requirement for maintaining the capacity to awe becomes the counterpart of the American public's insis-

[7]Recently the administration, under prodding by the government of Israel, restricted commercial sales (by U.S. companies) of one-meter resolution images of Israel. No such restriction has been announced for other U.S. allies or for the United States itself.

[8]See the landmark examination of the Marsh Commission: *The Report of the President's Commission on Critical Infrastructure Protection. Critical Foundations: Protecting America's Infrastructure* (Washington, DC: October 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tence on low casualties. The key to both is our edge in technology. The loss of that edge would mean both weakened deterrence and a growing reluctance of the American people to support the ambitious foreign policy that we have now embraced.

Regrettably, our present policy and international position create another vulnerability, which we can only mitigate but not avoid. There is a fundamental disparity between "operations other than war", notably peacekeeping, and the qualities and readiness essential for war-fighting. In peacekeeping operations, one must hesitate before using force, one should not be quick on the trigger. In combat a belated response means casualties or an overrun position. Officers who show the restraint and sensitivity desirable in peacekeeping operations—and thereby gain promotions—may be the very ones who lack the capacity for command in combat. Troops who have been trained for restraint in peacekeeping operations are likely to be unready for war-fighting. Therein lies the potential for trouble, and yet, given our dual responsibilities, there is no way wholly to avoid such trouble. All that one can do is to be aware of the dilemma—and never to forget that peacekeeping and war-fighting are in some sense in conflict. Since the ultimate mission and the ultimate test for the armed forces is war-fighting, we must strive to reduce the penalties imposed on our war-fighting capacity by peacekeeping. Ideally we should keep the forces designated for these distinct missions separated, and thereby minimize the contamination of our forces' war-fighting readiness by peacekeeping operations. Still, as the force structure shrinks, such separation becomes increasingly difficult.

## *A Transformed Military?*

WE NOW TURN from the dramatic changes in the strategic environment to how the military establishment should react so as to achieve America's political objectives efficiently and at minimal cost, particularly in casualties. This brings us to what has been called the revolution in military affairs, a development that is part reality and part promise. The National Defense Panel correctly states that we are on "the cusp of a military revolution", for as of now the revolution is partly hyperbole and remains incomplete.[9] The basis for such a revolution has been created by the immense technical advances in computers, telecommunications, microelectronics, sensors, and precision-guided munitions. These are the new military technologies that were first unveiled in the Gulf War. Their dramatic role in achieving rapid success in that war spurred talk about the revolution, and convinced some that it was an accomplished fact. For a number of reasons that conclusion is premature.

First, and as I have already pointed out, in that war there was a large element of surprise, not only about individual elements, but the overall military effectiveness resulting from their integration. That permitted our military leadership to dominate the battlefield while Iraq's unfortunate generals had little awareness of what was transpiring. Never again shall we achieve that degree of surprise. Others will develop countermeasures and tactics with which we shall have to contend. Others will also acquire these technologies, so that we shall no longer be able so readily to exploit their advantages.

Second, conditions in the Persian Gulf—clear skies and deserts—were almost ideal for the exploitation. Heavy cloud cover and dense vegetation, as in tropical forests, would reduce the usefulness of these technologies. The contrast to conditions in Vietnam is frequently mentioned.

Third, we have not been prepared to invest the resources fully to exploit these new technologies. Inventories of sophisticated

[9] *Transforming Defense*, p. 7; on the revolution in military affairs in general, see pp. 20-1, 43-8, 57-9. For a critical analysis of RMA, see Lawrence Freedman, *The Revolution in Strategic Affairs*, Adelphi Paper no. 318, International Institute for Strategic Studies, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

munitions, for example, remain quite modest. Thus, if military operations were extended, we could run short, and much of the potential advantages of these technologies for combat could evaporate.

Fourth and most importantly, the lessons drawn from the Gulf War have not been absorbed into military strategy and doctrine. I find it curious, if not ironical, that the United States, which developed and then exploited these new military technologies in the Gulf War, has failed fully to grasp one of the principal lessons from that war. I refer to the immense success of the air offensive prior to and during the 100-hour ground war. The six weeks of coordinated air attacks prior to the launching of the counteroffensive on the ground significantly reduced the combat power of Iraq's forces—and continued to do so during the four days of the ground war. Nonetheless, to date the U.S. military establishment has yet to absorb the lessons of the immense success of the air war into either doctrine or war plans.

The potential of the air campaign in most if not all military campaigns is central to adjustments of strategy. Air power is not just ancillary to the ground counteroffensive. When we have air superiority, it too can systematically destroy enemy ground forces. And it can do so at a far lower cost in American blood. And that may be essential for retaining public support for America's expanded international role.

Despite all our current talk of "jointness", the services have yet to formulate a sufficiently shared vision of our military future. In part, the Air Force itself has been remiss. Thanks to so many years of treating "strategic" and "nuclear" as synonymous, it has failed to analyze and articulate the strategic role that TacAir can play.[10]

The Army, too, has been resistant. In part it is correct in pointing out that the success of air power in the Gulf is not necessarily repeatable, or repeatable to the same extent, under different conditions. To be sure, it is also in part in the service's interest. Still, the Army has been slow to accept the enormous potential of air power in grinding down enemy ground forces—thereby reducing Army casualties and easing the Army's task.

It remains true that air power "cannot do the job alone." That is right—but irrelevant. In most military operations it can do a substantial job in obtaining a quick victory with low casualties. While that is crucial to America's international mission, some Army officers have been reluctant to accept the altered role that air power can play. Happily, our former Supreme Allied Commander Europe, General Andrew Goodpaster, has not been among them. In a recent speech, he urged "pressing forward with advanced technology, especially for air attack; exploiting 'Stealth' in order to hold our losses to a minimum."[11]

Congress in this New Era has repeatedly sought alternative strategies from the Pentagon. Its motive may have been to achieve greater military effectiveness without providing additional resources. To be sure, the hope that we can preserve our present military preponderance without a substantial increase in defense spending is unsustainable. But the quest for alternative strategies is legitimate, so long as one does not expect miracles. There is no strategic gimmick that will permit us to maintain military dominance in the absence of superior forces.

The full integration and exploitation of new military technology permit us to explore alternative strategies. In particular, the effectiveness of air power has increased so much in

---

[10]For this reason the term TacAir, because it ignores its strategic role, is obsolete, and probably should be replaced. The Navy also has an immense stake in TacAir, though its role is partially hidden by generic references to maritime strategy. In its publications "From the Sea" and "Forward from the Sea", the Navy points to its ability to influence events on land through improved capabilities of naval aviation and missiles.

[11]Andrew J. Goodpaster, "American Security Needs in a New Era", address to the alumni association of the National War College, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

degree that it has almost become a difference in kind. In a sense it has finally achieved the attributes that air power enthusiasts prematurely claimed over the years.[12] So long as the United States retains air dominance, we can damage or destroy the enemy's combat power at a low cost in casualties.

The altered strategic role that air power can play must, however, be understood and appreciated. It is ironic that those who comment—and regularly complain—that roughly 40 percent of the future procurement budgets would go to TacAir have not fully grasped the potential advantages that air power confers.[13] It is also true that if we are to exploit those advantages, air power needs to be amply funded. If air power is to play a crucial role in American strategy, it is doubtful whether we should allow our inventories of precision-guided munitions to remain as low as they are.[14] It is a simple fact, though an ineluctable one, that in so far as inventories are constrained, and are expected to remain constrained, an alteration of military plans will be required—and of a kind that will make such plans less effective. Air power may be strategically crucial in theory, but, if it cannot deliver in practice, military planners cannot rely on it. In a sense, the size of inventories is in itself a strategic choice.

In this altered strategic world, several admonitions remain in order. First, it is essential that the United States remains ahead of other nations, not only in the exploitation of Information Warfare, but also in defensive measures. Other nations are now industriously studying how to exploit Information Warfare.[15] That secret is now out. We must not only be on guard, but we must steadily raise our guard.

Second, we must continuously examine whether our growing dependence on new technologies may result in over-dependence and thus create a critical vulnerability. Given our current international role, these technologies are essential as force multipliers. But neutralization by others of our exploitation of them would immediately place us at a disadvantage. Consequently, we must examine to what extent we should hedge such potential vulnerabilities—and, in doing so, recognize that such hedging will be costly. To hedge against the neutralization of force multipliers, one can, of course, maintain larger forces. Yet, if one were totally to compensate in this manner, one would forfeit the cost benefits (though not the benefits in effectiveness) embodied in the hoped-for revolution in military affairs.

We need to understand better both the risks and the opportunities as we examine alternative strategies. But one thing should be clear: if we are to enjoy the full benefits of a strategy, we must make a sufficient investment in it. At the moment we are talking about and pursuing a transformed military, but not pursuing it seriously enough. Earlier, it was indicated why we shall be unable to sustain our present position of military advantage on the projected levels of defense spending. One can always do with less—until one needs it.

For some years the Clinton administra-

---

[12]Giulio Douhet, *Command of the Air* (Italian Military Staff, 1921; republished by Coward-McCann, 1942); William Mitchell (Gen. "Billy" Mitchell), *Winged Defense: The Development and Possibilities of Modern Air—Economic and Military* (New York: G.P. Putnam & Sons, 1925); and Alexander P. de Seversky, *Victory Through Airpower* (New York: Simon & Schuster, 1942).

[13]At this time we are spending relatively little on TacAir procurement, though that has not precluded complaints that a disproportionate share of procurement budgets go to TacAir. If we proceed with modernization of the QDR recommended force, some 43 percent of the procurement budget would go to all air accounts.

[14]The guided-missile attack on August 20 against Afghanistan and Sudan significantly reduced the inventory of Tomahawks—though it surely could not be viewed as a major military action akin to war.

[15]See, for example, the translations from Chinese military journals in Michael Pillsbury, ed., *Chinese Views of Future Warfare* (Washington, DC: National Defense University Press, 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion has argued that with the Cold War over we no longer require an overarching strategy in foreign policy. Indeed, it is at least arguable that foreign policy can be approached on a "case-by-case" basis.[16] But it is clear that defense policy and the defense posture should not be. They should—and must—reflect a coherent whole. Especially is this true for the United States—given the international responsibilities that have now been thrust upon us, and that we have chosen to accept. □

[16]Such was Secretary of State Warren Christopher's lawyerly argument in rejecting demands for an overarching strategic concept in the post-Cold War world. While there is no simple replacement for containment, the absence of an overall strategic concept inevitably means a lack of coherence in policy.

## *Blood, Iron, and Bibles*

Articles and lectures, though in Britain not many, have commemorated the 100th anniversary—to fall on 30 July—of Bismarck. None I have seen have noticed that he died in the same year as another figure who dominated his country's politics throughout much of the second half of the 19th century: Gladstone. Which of them is lasting the best?

Most of the centenary pronouncements have suggested that, if their authors had been asked the question, they would have concluded that it was Bismarck. Bismarck sought a united Germany. Germany is again united. Therefore Bismarck is looking well. There were a few subtleties, but this was the gist of the argument.

This is the opposite of what was said on the 50th anniversary of Bismarck's death, in 1948. The German liberal historian, Erich Eyck, addressing our Historical Association on 'Bismarck After 50 Years', said: '. . . there is nothing left of his creation. German unity has been destroyed.'

I suspect that, from Bismarck's point of view, it is still destroyed. He created a unity controlled by Protestants and Prussia. Herr Kohl, like the Adenauer who presided over the creation of the West German state of which the present Germany is an enlargement, is a Catholic Rhinelander. Their party, the Christian Democrats, is allied to the still more Catholic Bavarian Christian Social Union. Worse, from Bismarck's point of view, the present Germany's foreign policy is in thrall to France: the country which Bismarck replaced as the greatest Continental power in 1870, and whose capital he despised as 'Babylon.'

Erich Eyck, who by coincidence was Gladstone's German biographer, would probably not revise his opinion of how lasting were Bismarck's achievements. Gladstone's, however, are all around. His most recent and most sympathetic biographer, Lord Jenkins of Hillhead, is said to be a great influence on Mr. Blair, and is devising an electoral scheme whose intention is to keep out of power for much of the next century the political party which Gladstone and Lord Jenkins despise.

Gladstone, with his agitation against Turkish 'ethnic cleansing' in Bulgaria, invented the 'ethical foreign policy.' That policy was pursued, not just by Mr. Cook, but by almost every American president since Wilson, who was a great admirer of Gladstone. Gladstone's Balkan policy is also, for good or ill, President Clinton's.

Gladstone, then, has beaten Bismarck. I think it is not generally known, however, that Bismarck invented one of the world's great drinks. By mixing the apparently incompatible champagne and stout, he created black velvet. That is more than most of us achieve.

Frank Johnson, *The Spectator*, July 25, 1998



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# NATO: The Dilemmas of Expansion

Zbigniew Brzezinski

THE FIFTIETH anniversary of NATO, which falls next April, will mark the conclusion of the first enlargement of the Alliance undertaken since the peaceful end of the Cold War. It is also certain to give rise to a new debate as to whether the Alliance should continue to expand. It is therefore not too early to ponder the several ramifications of that issue. They involve such broad geostrategic matters as the nature of the long-term relationship of America to Europe, the proper scope of the Euroatlantic alliance, its connection to the also ongoing expansion of the European Union, the relationship of Russia to the expanded Euroatlantic and European structures—as well as the more immediate policy choices that may need to be made regarding the specific timing of any further expansion, its geographical direction, and its depth.

In brief, *whether*, and if so, *why*, *when*, *where*, and *how much* next to expand, and eventually where to stop, are the questions that need to be addressed and aired.

## *Europe is Unfinished Business*

THE BASIC LESSON of the last five decades is that European security is the basis for European reconciliation. Without NATO, France would not have felt secure enough to reconcile with Germany, and both France and Britain would have even more actively opposed Germany's reunification. It is enough to recall here the last-ditch maneuvers by both Thatcher and Mitterrand to delay (and thus even prevent) the reunification of Germany in order to appreciate the extent to which NATO has helped pacify the persisting European fears of a powerful and potentially dominant Germany, its good democratic and European postwar record notwithstanding.

Moreover, without NATO, it is most unlikely—for the same reasons—that the EC and now the EU would have ever come into being. Similarly, the ongoing reconciliation between Germany and Poland would not have been possible without the American presence in Germany and the related sense of security that Poland's prospective membership in NATO has fostered in Poland. The same is true of the Czech Republic and Germany, Hungary and Romania, Romania and Ukraine; and the desire to get into NATO is also having a similar influence on Slovenia's attitude toward Italy and Lithuania's toward Poland.

In the foreseeable future, the evolving reconciliation between Poland and Russia is also likely to become more marked. The Poles, once in NATO, will fear less that a fraternal embrace by their more powerful neighbor will become again a stifling yoke. And once the Russians realize that Central Europe

Zbigniew Brzezinski, former national security advisor to the president of the United States, is author of *The Grand Chessboard: American Primacy and its Geostrategic Imperatives* (1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is no longer a geopolitical vacuum, their definition of their sphere of influence will become less ambitious. Given the fact that all of Russia's western neighbors—rightly or wrongly—fear its aspirations, greater regional security thus will be to the benefit of all of Europe, Russia included.

This point—that security breeds reconciliation—deserves reiteration, given the recent debates over NATO's expansion. Even a cursory review of the arguments made by the principal opponents of that expansion indicates how dramatically wrong have been their diagnoses. In fact, it would be positively unkind to list serially and identify all the apocalyptic predictions made by various scholars, ex-ambassadors, and editorialists regarding Russia's likely behavior in the wake of NATO's expansion. They simply failed to draw the most elementary lessons from Europe's recent history.

Moreover, the construction and expansion both of the EU and of NATO are clearly long-term historical processes that are still far from finished. Even if at this stage it may be premature to draw a demarcating line—and perhaps it should *never* be drawn with any degree of finality, given the contingent nature of historical processes—it is certainly evident that neither the EU nor NATO can be viewed as having reached its ultimate limits. Both institutions are committed publicly to further expansion, and even a glance at a map indicates why their present scope cannot be considered as final.

The expansion of the EU and of NATO are also mutually reinforcing processes. Each tends to facilitate the other, and the overlap between the two creates also the reality of greater political interdependence. That enhances the sense of shared security and even further binds Europe and America together. The two processes also leapfrog each other. At any point in time, expansion of one may be ahead of the other. Poland will be in NATO before it is in the EU. Estonia is likely to be in the EU before it is in NATO. But the overlap between most of the EU and most of NATO creates a sense of common geopolitical space that collectively reassures all involved in the two frameworks.

For NATO, however, the commitment to expansion does raise the more specific and fundamental question of the degree to which the organization should remain primarily an integrated political-military alliance and to what degree it should evolve into a regional security system. In the former case, collective defense has to be the central concern; in the latter, more emphasis can be assigned to peacekeeping. Again, in the former case, additional members should be judged primarily by the degree to which they may enhance the Alliance's political-military potential; in the latter, by the extent to which they increase the scope of political stability. The former argues for greater selectivity in admission; the latter for less discrimination.

Ultimately, neither formula can be seen as iron-clad, and expansion cannot be guided mechanically by either criterion. Nonetheless, the distinction should be kept in mind, in order to make certain that any additional expansion does contribute tangibly to collective security, and that it does not produce a watered-down NATO that gradually loses its political-military cohesion and its capacity for united and effective action. Concern for the preservation of the primacy of collective defense should also guide—and restrain any excessive enthusiasm in codifying—the formulation of NATO's new strategic doctrine and the assumption by NATO of new "out-of-area" roles and mission. By seeking to take on too much, one could run the risk of undermining the magnetic core of the Alliance.

Hence, gradual and measured expansion—one that provides time for the integration of new members, one that carefully meets the objective criteria of membership, and one that is derived from the subjectively voluntary desire of a given nation to join—is both desirable and even necessary. Halting the process would be arbitrary, demoralizing for those left out, and pernicious to Europe's security. A significant gap between the eventual scope of the EU and of NATO could create tensions in



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the American-European connection, breed misunderstandings, and perhaps in some cases even tempt external challenges. A proclaimed or even de facto halt in NATO's expansion would also be a denial of everything that has lately been affirmed by all the top NATO leaders. It would thus fundamentally damage Euroatlantic credibility while perhaps unintentionally signaling that what is beyond NATO may be up for grabs.

## *When, Where, and How Much?*

THE THREE NEW members—Poland, the Czech Republic, and Hungary—will be admitted early in 1999, either before or during the Alliance's fiftieth anniversary. At that point, some overt confirmation of the Alliance's oft-stated commitment to a continuing process ("open door policy") will be necessary, lest the impression be created that the first enlargement has been the last. One can anticipate that Russia will pursue that objective and might even condition President Yeltsin's attendance at the Washington fête—presumably much desired by the Clinton administration and justified by the existence of the NATO-Russia Council—on a promise that the issue of enlargement be ignored or muted, and that formal enlargement not even take place on that occasion.

Yet silence and inaction on the issue could prove as counterproductive as excessive emphasis on immediate and substantial follow-on enlargement. The Alliance is hardly ready to take on promptly a large second wave of members. It must absorb the newly admitted members, while Russia must accustom itself to the non-threatening reality of a gradually expanding alliance. That will require several years, and it is no betrayal to acknowledge this reality. But silence or only a token enlargement limited to a single geopolitically insignificant and thus non-controversial new candidate would be tantamount to a message that further expansion has been relegated to *ad calendas grecas*. For reasons already stated, such a price should not be paid, even for a spectacular American-Russian public relations success at the 1999 NATO summit.

Accordingly, given these conflicting considerations, the best course of action should involve coupling a ceremonious welcome to the new members in April with a collective statement that the foreign and defense ministers of the Alliance are being charged with the task of identifying at a December 1999 ministerial the next potential candidates for membership. Negotiations with these candidates regarding the matter could subsequently begin, pointing perhaps to eventual admission a year or so later, depending on their respective states of readiness. This would give everyone concerned time to learn that gradual expansion enhances European reconciliation, while avoiding an ego contest at the April 1999 summit among the heads of state regarding the selection of any new candidates.

The foregoing would thus reconfirm that expansion is a continuing historical process, related to the construction of a new Europe and to the progressive redefinition of the scope and role of the Euroatlantic alliance. But doing so would necessitate also making a prudent choice regarding the direction and the depth of the second wave of enlargement. Expansion to the southeast of Europe would pose fewer problems with Russia, and probably hardly any if it were limited to Slovenia; expansion to the northeast, namely the Baltic states, would involve a wide crossing of Russia's declared "red line" and thus reignite the controversies that took place during the first enlargement. The southeast involves an area of greater instability but lesser external threat; the opposite is the case with the northeast. What follows from that fact in so far as NATO's interests are involved?

It has already been noted that expansion confined to only one and very non-controversial state would be more an act of evasion than of fidelity to oft-stated commitments. Yet selecting several states in one direction only could also prompt complications. To pick the Baltic states in one bite would be, indeed, to invite a quarrel with Russia that could be divi-



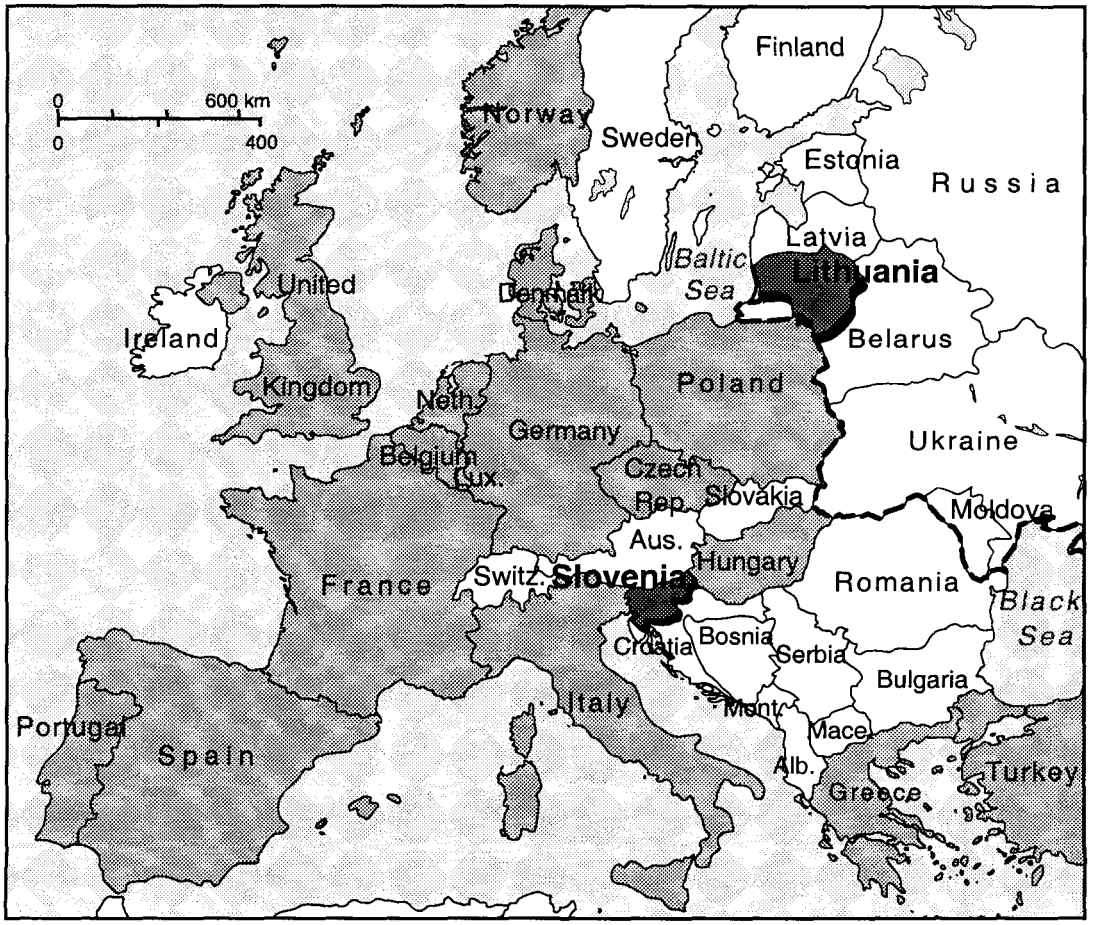
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sive both for Europe and for the Alliance itself. Yet to go deep exclusively in the southeast direction runs the risk, not only of selecting candidates who might not be quite ready for membership and thus actually weakening the Alliance's cohesion, but also of legitimating through the passage of time Russia's unilaterally drawn "red line."

Perhaps the best choice would be to remain faithful to three principles: first, that only qualified candidates who truly desire and are ready for membership should be considered; second, that in keeping with the solemn declaration of Madrid, no qualified European state can be excluded by Moscow's unilateral "red line"; and third, that there are no automatic linkages or clusters of states that have to be admitted together, either in the southeast or the northeast. Just as the EU did not hesitate to select Estonia ahead of the other Baltic states, so NATO should not feel compelled to consider states in some special clusters.

Accordingly, it might be appropriate and constructive to examine the possibility of a limited expansion *both* to the southeast and to the northeast, involving no more than two or so states, depending on the degree to which they satisfy respectively the criteria of membership, and demonstrating thereby—but on a prudent basis—that no democratic state of Europe can be arbitrarily blackballed by a non-member from participation in the Euroatlantic alliance.

At the present time, in the southeast, Slovenia and perhaps also Romania seem to be most advanced in their preparations; and in




---- the border of the old Soviet Union (the "red line")



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the northeast that is the case with Lithuania. A decision in favor of Slovenia and Lithuania would have the advantage of enhancing the Alliance's geographical cohesion (and of establishing a direct land connection with Hungary), and both Italy and Denmark would be especially gratified. In the event that Lithuania were to be the northeastern choice, and given Estonia's advanced status in negotiations with the EU, it might also be wise to make concurrent efforts to facilitate Latvia's entrance into the WTO and to open a NATO information office in Riga (such offices exist in Moscow and Kyiv), in order to reassure Latvia that it was not being permanently left behind the "red line."

## *The Issue of Russia*

A PROPERLY PACED process of enlargement should be one that neither over-stretches the Alliance's cohesion and capabilities nor unnecessarily delays Russia's liberation from its imperial nostalgia. Hence, Russia cannot, and should not, be excluded from the process of constructing a larger Europe securely embraced by the Euroatlantic alliance. But Russia cannot be allowed to exercise a veto on the free choice of individual European states and, even worse, to justify doing so on the basis that some of them had formerly been part of the Soviet Union. To the Baltic states, the additional fact that Russia still formally insists that they had in 1940 joined the Soviet Union *voluntarily* only adds insult to insecurity.

However, the process of expansion must be pursued in a fashion that gives Russia time to digest the new realities and to learn from them that enhanced security breeds more genuine reconciliation. That process has already started in Russian-Polish relations. It is important that it be matched by reconciliation with the Baltic states and also with Ukraine. At some point, Ukraine too might opt for a closer link with NATO, and NATO certainly cannot *a priori* exclude Ukraine simply because Moscow might disapprove. Moreover, Russia, if it is to be a truly European national state and not a nostalgic craver of empire, must accept the fact that democratic European states do wish to coalesce in a joint security framework with America, and that sovereign right cannot be denied to them. Lines drawn on the basis of the old Stalinist empire can only serve to separate Russia from Europe.

By the same token, Russia cannot be asked to accept the expansion of NATO if it is at the same time seen as excluded forever from a deepening association with it. The creation of the Joint NATO-Russian Council is a good beginning in forging a new relationship, and that step too should be viewed as a continuing and evolving process. If President Yeltsin were to attend the Washington NATO summit, he should hear there not only a reaffirmation of NATO's commitment to growth—in keeping with the voluntary desire of democratic European nations—but also a more explicit affirmation of the principle that, in tandem with the expansion of Europe, NATO's doors will remain open to all European states—Russia included—that subjectively desire membership and objectively meet the requirements of that membership.

In politics, one should never use the words "never" or "end." One simply does not know where Europe will "end", say, fifty years from now, and hence one cannot also postulate that Russia should "never" be considered for membership. No one ever dreamed a hundred years ago of a Euroatlantic community and no one can stipulate categorically what that community of values and interests will encompass a century from now. The key issue is to keep the historical process of growth open, to sustain it with prudence and deliberation, and to be clear-headed about the shared values it implies. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# THE NATION'S LEADING MAGAZINE OF BLACK CONSERVATIVE OPINION...

**Subscribe Now and SAVE!**

**ONE-YEAR SUBSCRIPTION ONLY $29.95**

**Call 1-800-340-5454 To Subscribe**

# Headway

13555 Bammel N. Houston Rd., Suite 227 • Houston, TX 77066
281-444-4265 • Fax: 281-583-9534
http://www.headwaymag.com

Willie A. Richardson, Publisher

Gwen Daye Richardson, Editor

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Destroying South Africa's Democracy

## *USAID, the Ford Foundation, and Civil Society*

R.W. Johnson

AS THE NEW South Africa interacts with the United States, there are times when one has to pinch oneself to be sure that the things one sees are really happening. South Africa was doubtless the only industrialized country where a majority of the population saw O.J. Simpson as a hero and greeted his not guilty verdict with rapture; Simpson's lawyer, Johnny Cochrane, naturally rushed out here to star on the chat shows. American consular officials proudly posed with him in apparent celebration of the verdict, before Cochrane was led away to watch a sheep noisily slaughtered in his honor, African-style.

My own introduction to the oddities of the American-South African interface came during the run-up to South Africa's first democratic election in April 1994, when the election monitoring project I was running brought me into contact with the U.S. Democratic Party's international arm, the National Democratic Institute. NDI, like its counterpart, the International Republican Institute (IRI), received funds from USAID to promote multi-party democracy in South Africa. This bipartisan election support project was specifically tasked with providing non-partisan support to all the formerly disenfranchised political groups who had agreed to participate peacefully in the election process. In practice NDI leaned heavily and lopsidedly toward the African National Congress (ANC). One oddity of this overt favoritism was that, given the powerful position within the ANC of the SACP (South Africa's old-style Communist Party—which still brandishes the Lenin badges and hammer and sickle icons long discarded by its brother parties elsewhere), NDI frequently provided a platform for the Communists. The SACP played a brave role in the liberation struggle and is a player of some significance in the South African multi-party system, but it is doubtful whether the U.S. Congress, when it voted through the money, had in mind quite the sort of outcomes that resulted.

I first experienced this irony in action at a USAID-funded voter education conference hosted by NDI in Cape Town, attended by a variety of non-governmental organizations (NGO) and the political parties. Each party was invited by NDI to send two delegates. All the parties except the ANC sent the requisite two, but the ANC and SACP completely dominated proceedings thanks to the double-counting of front organizations, with the SACP and the ANC-aligned trade unions separately represented, together with the ANC youth league, the ANC women's league, and so on. In addition, many of the NGOs present were in effect ANC-aligned. Inevitably—and to the apparent satisfaction of the NDI organizers—this meant that ANC and SACP activists really ran the con-

R.W. Johnson is director of the Helen Suzman Foundation in Johannesburg. For over twenty years he taught political science at Magdalen College, Oxford. He is a regular contributor to the *Times* of London and the *London Review of Books*.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ference: even the voter education materials produced at the conference were little better than subliminal ANC propaganda, among other things prominently utilizing ANC colors in their artwork. (And it should be remembered that the numerous illiterate voters were guided largely by the parties' colors.)

Similarly, when delegates discussed political intimidation, it was simply assumed that whites constituted the whole problem—though everyone knew that several of the mainly black parties, including the ANC, were exercising enormous pressure on voters in many African residential areas, to the point that they were no-go areas for other parties. A speaker from South Africa's liberal Democratic Party (liberal here is used in its older English sense) was bold enough to point out that some ANC activists in that very room had violently broken up Democratic Party meetings held only a mile away the previous week; he was booed down and did not get to speak again.

At another session a visiting academic asked how on earth South Africa's lengthy pre-election negotiation had resulted in such an extreme form of proportional representation (PR), with a national list and no constituency representation at all. In every other country with a dominant party, he pointed out, that party had successfully insisted on a majoritarian system: in the annals of political science there was no parallel for a party such as the ANC agreeing to a PR system of any kind, let alone such a rigid one. Mr. Essop Pahad, a prominent Communist (who today runs Deputy President Thabo Mbeki's office), jumped up to say that the ANC and SACP, being ultra-democrats, had insisted on PR. Fatally provoked, I pointed out that actually the PR system was the result of an unholy alliance between the SACP and de Klerk's National Party (which, with 20 percent of the vote, could thus get 20 percent of the seats). The SACP had many white and Indian activists who could never get elected in white or Indian constituencies—and they would run into trouble in black constituencies. So it suited the SACP to have Mandela at the head of a long ANC list, with large numbers of SACP activists further down the list being easily coat-tailed in by the great man's appeal. The gasps of sudden comprehension at this home truth from non-Communist blacks in the room did not save me from Mr. Pahad's predictable wrath. I got no further chance to speak.

I had been scheduled to address a second such NDI conference but I was now quickly disinvited: there had been a mistake, a visiting speaker had to be fitted in, and so on. Later, I asked a friend on the conference committee what had really happened. "You were blackballed", he said, "The SACP said that at the Cape Town conference you had been guilty of 'harassing the comrades', and this could not be allowed to happen again." NDI had concurred. I could not but reflect on the fact that I had been blackballed by the SACP because I had dared to let the cat out of the bag in front of black listeners by giving a truthful account of the origins of the country's electoral system, a subject that should have been at the heart of the conference's concerns. This blackball had been backed up by NDI and the whole affair had been paid for by the U.S. taxpayer.

As the 1994 election neared, NDI and IRI collaborated on a project to bring out American political experts to act as advisers and assist the parties previously unused to electoral politics. In South Africa's bitterly partisan culture a major point of the project was to demonstrate the possibility of real bipartisan collaboration in a common cause. Unfortunately, in the case of the ANC bipartisanship was the first casualty. One of those brought over was Clinton's pollster from the 1992 election, Stanley Greenberg, who, together with a media consultant, was seconded to the ANC along with two GOP counterparts. Fairly quickly, however, things fell apart as Greenberg defected from the project to become the ANC's overtly partisan adviser.

This turned out to be only the mildest of warm-ups for the way things were to go once the ANC won the elections. Power, patronage, and fashion now reinforced political correctness. Before long voluntary organizations were facing a bill prepared by the Development



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Resources Center, an ANC-aligned NGO set up by David Bonbright, a former Ford Foundation employee. The Center's bill aimed to set up a government-appointed body with plenary powers over all NGOs: it would have power to sack any of their trustees or officers and impose its own; to subpoena any document or person from any NGO; to change the name of any NGO; and to forbid it to fund-raise (i.e., to exist). The very presence on the statute book of this sort of legislation, sadly typical of African one-party states, would be grossly intimidating of voluntary associations—the South African Jewish Board of Deputies was only one of many religious and professional groups to approach my foundation in grave disquiet over the bill, for such legislation would allow the government to intervene in any church or synagogue in the land.

## *The Cause of Political Correctness*

IT SEEMED fantastical that such a threat to independent civil society could come out of the Ford corner, but in fact the Ford Foundation was actually financing the DRC, the body pushing this monstrous bill, and continued to do so even when other sponsors drew back aghast as NGOs like the Helen Suzman Foundation led a campaign—joined by every sort of educational, welfare, and religious association in the country—that ultimately saw the bill dropped. Should anyone introduce into the U.S. Congress a bill empowering a government-appointed body to sack the president and trustees of the Ford Foundation and replace them with nominees of its own, renaming the foundation as it did so, Ford would doubtless cry foul and vigorously oppose it, and rightly so. (Indeed, the U.S. NGO community objected vociferously to a far less sweeping measure, introduced to the U.S. Congress last year by Representative Ernest Istook [R-Oklahoma], that was directed primarily at political action funds derived from labor union membership dues.) But here, apparently in the general cause of political correctness, Ford effectively promoted this starkly anti-democratic measure. In the course of the campaign by local NGOs against this bill, the Ford Foundation's position was strongly criticized in public print—to no avail. Indeed, Ford continued to deny its support to those organizations who had fought the bill, reserving its largesse for those that had either supported the bill or refused to speak out against it.

Not long after, a group aligned to the ANC Left and the Communist Party set up an organization claiming to represent all NGOs. In classic front organization style, Sangoco (the South African NGO Coalition, as it calls itself) immediately announced policy positions well to the left of the ANC (echoing communist attacks on the "neoliberal international order" and demanding the cancellation of debts owed to foreign, including U.S., banks). Sangoco, which again is Ford Foundation funded, has consistently attacked the Mandela government's economic policies from the Left, attempting to exert pressure for a shift in a more socialist direction. In this, Sangoco claims to represent the views of thousands of NGOs—though the only party to support it was the Communist Party. Sangoco then attempted to force a "code of ethics" on "Northern NGOs" (i.e., foreign donor organizations). Such a code would have required them to report on their activities to the South African government, admit that they might use their power "to sabotage local programs", and accept Sangoco-dictated policies over what they did, whom they might employ, what salaries they could pay, and so on. The aim, quite clearly, was to gain control over foreign donors and force them to fund only ANC-aligned NGOs. Once again, this clear threat to a pluralist civil society was—and still is—funded by the Ford Foundation.

The biggest U.S. donor in South Africa is, of course, USAID—which, inter alia, awards grants to the National Democratic Institute and the International Republican Institute. During its long years in exile the ANC tended to take a fairly straightforward pro-Soviet and anti-American line (for example, supporting



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Soviet invasion of Czechoslovakia and attacking Reagan's "constructive engagement" policy) and some of these prejudices linger. This creates an atmosphere in which USAID is under some pressure to overcome these prejudices by showing that it is on the side of the (ANC) angels. The effect is to make USAID extremely sensitive to an ANC/SACP version of political correctness, a sensitivity reinforced by its employment of "progressive" local staff.

This situation could—and did—have some strange results. In 1996-97, due to hold-ups in Congress, IRI (which, in contrast to NDI, has adopted genuinely non-partisan programs) was for some time unable to obtain its grant from USAID. Tom Callahan, the then director of IRI in South Africa, described to me how he had made endless unproductive trips to USAID, where he had to deal with a locally hired USAID official who was also a Communist Party member. The man's dislike of all Americans—and particularly Republicans—was patent and his attitude was obstructive and unsympathetic, even though IRI was in such dire straits that it was considering a shut-down of its entire operation. In vain did Callahan point out that the Republicans were the majority party in Congress, that the money had been extracted from American taxpayers, that it had been voted through Congress, and that as a South African the man might have regard to the fact that Uncle Sam had given him a nice job out of the deal. Mark Twain had, Callahan reminded him, once specified that the difference between men and dogs was that, on the whole, once you'd fed a dog it didn't bite you. The irony went unappreciated.

Belatedly, IRI's grant came through—but the impression was by now widespread that there was not much point in anyone other than ANC-aligned organizations applying to USAID for help. Indeed, it was at this time that my own foundation, which stands unrepentantly for liberal democratic values,* was warned by a local USAID official to "stay away from USAID"—an attitude happily disclaimed some eighteen months later by a new USAID director. By this time, however, my foundation had been reduced to applying for help to the regional USAID office in Botswana—only to be told that we were not regarded as an "appropriate" organization.

## *The Fate of a Continent?*

HOW CAN THINGS like this happen? Of all the states in transition toward democracy South Africa is certainly one of the most important. It is so much the engine of Africa that a whole continent stands or falls by its success or failure. It is, indeed, hard to contemplate the consequences of this transition failing. It would be bound to have an acutely demoralizing effect on the wider black diaspora in the United States and elsewhere, with many people likely to conclude that Africa and Africans are somehow intrinsically hopeless cases, reactions that could have a damaging impact on race relations far beyond South Africa.

Such considerations have led all Western governments to embrace South Africa's "miracle" evolution away from apartheid and toward democracy with great supportive fervor, a stance further strengthened by admiration for the extraordinarily attractive figure of Nelson Mandela and his movement's long and bitter struggle against great odds and great evil. Beyond that many Western governments, foundations, and individuals are acutely sensitive to the charge that they were too complaisant for too long in the face of apartheid, a charge which melds into broader feelings of colonial or racist guilt. The ANC itself shares this perspective and has no hesitation in telling Western leaders that South Africa is now "entitled" to their support, aid, and investment. In addition, not just the United States but many other Western societies are increas-

*The Helen Suzman Foundation aims to perpetuate the liberal and democratic spirit exemplified by Mrs. Suzman's long fight against apartheid. During 1959-74 she was the sole anti-apartheid parliamentarian. The foundation is unaffiliated with any political party.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ingly multicultural and now include substantial black or Coloured minorities whose attitude toward the Mandela government is comparable to that of diaspora Jewish populations toward Israel. These minorities exert considerable political pressure and are liable to see any failure by their governments to extend maximum support to the Mandela government as a benchmark reflecting attitudes toward black people in general.

All of these factors, together with sheer relief that the apparently intractable problem of apartheid has been solved, have led many Western governments to adopt a policy of virtually uncritical support for the ANC government. Unfortunately, that is where the trouble begins. For however delightful and heroic a man Mandela is, and no matter how utterly justified his movement's struggle has been, this should not blind one to the fact that the African nationalist party that rules South Africa today is recognizably kin to the similar parties that set up single-party or one-party dominant regimes all over Africa, and that its hegemonic ambitions overlap all too comfortably with the instinctive practices of the old-style Communist Party, which has historically always constituted "the central nervous system" of the ANC.

Although the ANC claims to be democratic, its own internal practices suggest that this is only partially true. Enormous pressure is exerted to ensure that, whenever possible, there is only one candidate for each senior position in the party. Party discipline is extremely strong and is prized above all else—Jacob Zuma, the party's number three, has publicly insisted that such discipline is more important than the country's constitution—and there is a party-mindedness that can extend into any area of social life. In exile, indeed, it was normal for activists to seek the party's blessing for their marriage or divorce. When an ANC official wishes to move into the private sector, he has to seek the party's permission: he does not resign but is "deployed." When ANC activists get into trouble for anything—ranging from corruption to murder—the party frequently holds its own inquiry and pronounces judgment, defending its own wherever possible. Thus the ANC guards who shot dead eight Inkatha marchers outside ANC headquarters in 1994 were successfully protected by the party, which refused to cooperate with police investigators. Naturally, party members are expected to—and generally do—observe the party line no matter what its twists and turns. Open dissent is seen as grounds for expulsion.

Above all, the party—it prefers to call itself a liberation movement—is at best ambivalent about the need for opposition parties. ANC spokespersons often seem to believe that things would be better if complete national unity were to be achieved, with everyone supporting the ANC. Last year, for example, President Mandela told audiences in the troubled province of KwaZulu-Natal that the road to peace was for everyone to join the ANC—and the ANC has repeatedly invited the Pan Africanist Congress and Inkatha Freedom Party to join it so as to achieve complete racial (black) unity. Communist Party spokesmen indignantly reject the notion that an opposition is vital to democracy and insist that civil society is more important—at the same time that the party preaches to its activists the need to achieve hegemony over civil society. Opposition parties themselves are frequently not just criticized but demonized and accused of being part of some vast counter-revolutionary conspiracy. The so-called "white" press comes in for similar treatment. When it is pointed out that many of its journalists and editors are black, they are simply dismissed as "white pawns", the proof being that their newspapers carry criticism of the government, for it is assumed that all blacks ought to support the ANC.

## *Mandela's Attack on the NGOs*

PRESIDENT MANDELA'S speech to the ANC's Mafikeng party conference in December 1997—thought to be largely the work of his deputy and successor, Mbeki—



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was replete with such references. The opposition parties, though multi-racial, were characterized as "white" and "defenders of apartheid privilege" (though the liberal Democratic Party—one of those singled out for attack—had strenuously opposed apartheid since its foundation in 1959). They were grouped collectively as "the counter-revolution"—a grouping that apparently also included much of the press, for "the bulk of the mass media in our country has set itself up as a force opposed to the ANC." The harsh sectarianism of the speech was sadly at odds with the spirit of generosity and reconciliation Mandela has always shown. Mandela makes no secret of the fact that he is given speeches to read by "my bosses" but he is above all a loyal party man and, as at Mafikeng, is willing to give speeches that he himself would never have composed. The speech is thus of more importance as a reflection of thinking within the ANC inner circle than as a reflection of Mandela's personal views.

"Various elements of the former ruling group", Mandela claimed, "have been working to establish a network which would launch or intensify a campaign of destabilization", a campaign consisting of "the use of crime to render the country ungovernable, the subversion of the economy and the erosion of confidence of both our people and the rest of the world in our capacity to govern." This "counter-revolutionary conspiracy" had, Mandela said, been active for a year and its activities included

> the encouragement and commission of crime, the weakening and incapacitation of the state machinery, including the theft of public assets, arms and ammunition, the hiding of sensitive and important information, the building of alternative structures including intelligence machineries as well as armed formations. Evidence also exists that elements of this counter-revolutionary conspiracy are maintaining a variety of international contacts.

The president offered no evidence for any of these charges.

Mandela's reference to "international contacts" became clearer as he broadened the attack to include NGOs: "Many of our non-governmental organizations are not in fact NGOs, both because they have no popular base and the actuality that they rely on . . . foreign governments, rather than the people, for their material sustenance." The particular sin of this type of NGO was its attempt to act as

> a critical watch-dog over our movement, both inside and outside of government. Pretending to represent an independent and popular view, supposedly legitimized by the fact that they are described as non-governmental organizations, these NGOs also work to corrode the influence of the movement.

Moreover, Mandela continued, "some of these NGOs act as instruments of foreign governments and institutions that fund them to promote the interests of these external forces."

To understand the context of these remarks one must note that during the fight against apartheid many so-called "struggle NGOs" emerged to work for the ANC cause in a period when the ANC was banned. Many such NGOs did valuable work and contributed notably to the fight for liberation. They were, however, highly politicized—their officers and activists were invariably ANC members or activists and often members of the Communist Party as well. Such NGOs, though claiming to constitute civil society, in practice took an unwavering ANC line. The ANC view is, of course, that this is the right way for non-governmental organizations to behave—hence Mandela's suggestion that sinister foreign forces were engaged in a pernicious attempt "to set up an NGO movement separate from and critical of the ANC", an impermissibly "liberal" conception of what NGOs should be about. "The past three years", Mandela declared, "have taught us the lesson that there are NGOs and NGOs. As a movement we have to learn to make this distinction and defeat the pressure blindly to accept a liberal determination of which organisation is an NGO and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what role such NGOs should play."

The area really in dispute here is what donor organizations involved in transitional democracies call "D and G", that is, their Democracy and Governance programs. The biggest local organization involved in this area in South Africa, the Institute for Democracy in South Africa (Idasa), typifies the way that the ANC would like NGOs to behave: its chairman is director-general of the president's office and, as such, is also the cabinet secretary. Its regular publication, *Parliamentary Whip*, is edited by the former correspondent of the British communist paper, the *Morning Star*.[1] Idasa takes a fairly steady ANC line, runs many joint programs with government, and is effectively a quasi-governmental organization. Inevitably, it is the biggest recipient in its field of USAID and Ford Foundation support. However, USAID had—atypically—also made a grant to the (liberal and independent) South African Institute of Race Relations (SAIRR) for a public policy monitoring project which had placed the Institute in the "watchdog" role so strenuously objected to in Mandela's speech. This monitoring was viewed by the ANC as utterly obnoxious.

It was apparently this grant to the SAIRR that led Mandela, in another section of his Mafikeng speech, to launch a headlong attack on USAID, an attack that induced considerable nervousness within the U.S. embassy and USAID mission. It became clear that USAID's grant to the SAIRR was unlikely to be renewed. A good deal of frantic diplomacy took place in the wake of the speech, at the end of which USAID settled for purely private reassurances from the ANC—which allowed the public attack on USAID to stand.

But the attack had its effect. IRI found itself discouraged by USAID and the U.S. embassy from working with the full range of political parties, from the Inkatha Freedom Party and Democratic Party to the newly founded United Democratic Movement (UDM), within its multi-party training programs. (The multi-racial UDM, led by Bantu Holomisa and Roelf Meyer, is particularly loathed by the ANC because Holomisa, who had previously topped the poll in internal ANC elections, is clearly able to steal votes from it.[2]) Ironically, IRI, which was attempting to work with the full range of parties in fulfillment of its non-partisan mandate, was effectively discouraged from doing so by the pro-ANC pressures emanating from the USAID mission and the U.S. embassy. It decided accordingly to devote its energies to local government work where the parties are weaker. Similarly, when USAID commissioned U.S. and South African academic experts to conduct an independent review of its Democracy and Governance program in 1997, it was displeased to find that the resultant report warned of a possible trend toward one-partyism and a consequent need for USAID to spread its support beyond the circle of ANC-aligned organizations toward a more pluralist and independent set of institutions. One might have thought that such a pluralist approach should have been fundamental in the first place to USAID's mandate to help consolidate a multi-party democracy in South Africa. In fact this reference had to be suppressed before USAID

[1] *Finance Week*, April 2, 1998. Idasa has since also launched a magazine, *Sibaya!* Joel Netshitenzhe, the government's director of communications (and a former graduate of the Lenin School for party cadres in Moscow), served on the editorial board for the launch issue.

[2] Clearly filling out the agenda behind the Mafikeng speech, the Communist Party leader, Dr. Blade Nzimande, writing in the ANC journal *Mayibuye* (Nov.-Dec. 1997), launched an attack on the only two liberal NGOs active in the democracy and governance area, the Helen Suzman Foundation (of which the author is director) and the South African Institute of Race Relations. We were, it emerged, the "reactionary think tanks" behind the Center-Left UDM—apparently because the Helen Suzman Foundation's journal, *Focus*, had carried an interview with Holomisa and reported on an opinion poll showing Holomisa running ahead of all comers in the Eastern Cape region, where he is the favorite son.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was willing to publish the report—essentially because ANC dominance has already reached a point where USAID is extremely nervous of offending it.

Even such concessions were not enough, however, and the South African government requested an inquiry into USAID's support of South African NGOs—an inquiry then jointly conducted by USAID and government representatives. The inquiry was requested "after government became concerned that the U.S. agency was giving its support to South African anti-government organizations." The inquiry concluded with USAID promising that its support would only be given "to programs in support of Pretoria's policies" and that in future it would "improve its communication with the South African government on USAID's support of NGOs in South Africa."[3] The problem, of course, is that the government tends to regard any NGO that airs any criticism of any of its policies as "anti-government." In practice the new deal would seem to give the government veto power over USAID supporting any but ANC-aligned NGOs, so that USAID will now almost formally be made part of the effort to build the hegemony of the dominant party.

## *The Crucial Fraction*

AND HERE LIES the nub of the matter. The ANC, which won 62.7 percent of the vote in 1994, has now publicly set itself the target of winning a two-thirds majority in the 1999 elections. Such a majority would enable it to alter the constitution unilaterally. ANC spokesmen have already given some indication of what they would like to use that power for: to bring under political control such islands of relative independence as the attorney-general, the auditor-general, and the governor of the Reserve Bank, and to ensure that there is greater political control of the judiciary. Beyond that, many suspect, lies an ambition to alter the constitution's property clause to make expropriation easier and a change to a first-past-the-post electoral system, which would effectively wipe out the opposition parties. There is also talk of a new law to "regulate media diversity", which is likely to involve an extension of government intervention in the press.

Quite clearly a two-thirds ANC majority in 1999 could spell the death-knell of meaningful multi-party democracy in South Africa and could indeed capsize the entire transition process. Certainly, the prospect is disturbing enough to make USAID's decision to suppress mention of the dangers of one-party dominance seem at best bizarre, even irresponsible. After all, in 1994 Mandela himself publicly stated that he was relieved that the ANC had not won a two-thirds majority.[4] Such a result would not only empower the SACP and ANC Left—whose influence would be greatly reinforced within an ANC-only political universe—but it could panic the Indian, Coloured, and white minorities, accelerating emigration by these groups. It would also alarm domestic and foreign investors, further damaging the currency, property, and stock markets—and the currency has already halved in value in the four years of ANC rule to date. The resulting economic contraction would impact on a country whose social fabric is already exceedingly weak, whose unemployment level is already 25 percent and rising, whose HIV-positive rate has already surpassed 15 percent right across the country among the 13-59 age group, and whose social dislocation and mass unemployment have produced some of the world's highest crime rates. In the wake of a two-thirds ANC majority in 1999, in other words, those who rightly greeted the "South African miracle" with such acclaim in 1994 could quickly find that they had little left to cheer.

Even if some of these dominoes did not in fact fall, a two-thirds ANC majority in 1999 could well signal a dividing line between the development of a liberal, pluralist multi-party

[3] *Business Day*, August 7, 1998.

[4] R.W. Johnson and L. Schlemmer, eds., *Launching Democracy in South Africa: The First Open Election, April 1994* (New Haven: Yale University Press, 1996), p. 332.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

democracy and what Fareed Zakaria has called "illiberal democracy."[5] That is, while South Africa might remain a democracy in the crude sense that more or less free elections continued to take place, the notion that the fundamental freedoms, the rule of law, or any checks and balances on the power of the executive could then be easily maintained would certainly come under pressure. This is not to make a point against the ANC; experience throughout the developing world suggests that democracy would not be safe in the hands of *any* party liberated from the restraints of constitutional rule by a two-thirds majority. South Africa has, after all, already experienced under the Afrikaner Nationalists what a one-party dominant regime can do: the abolition of black and Coloured representation, constitutional amendment at will, institutionalized discrimination and racism, the proscribing of organizations, the banning of individuals, press censorship, detention without trial, and so on. All of these things happened while, within a restricted racial franchise, free elections continued to take place—for a minority of the population.

Although the ANC government's failure to carry out many of its 1994 election pledges has disappointed many of its followers, the prospect of its gaining a two-thirds majority in 1999 has to be taken extremely seriously. Here the example of next-door Namibia is relevant. In 1989 the ANC's sister movement, the South West African People's Organization (SWAPO), won 58 percent of the vote in Namibia's first democratic elections. Five years later SWAPO, despite disappointing many of its followers, had many advantages it had lacked before—it controlled the army, police, and broadcasting media, dispersed government patronage, and organized the elections. Sure enough, in 1994 it won 73 percent. Freed of all restraints, the SWAPO government has become more high-handed and corrupt. It also seems probable that the constitution will be amended to allow an indefinite extension of President Nujoma's term of office beyond the two terms now permitted. The moral is obvious: an ANC two-thirds majority could indeed be achieved in 1999, and the results could be dangerous to democracy. Despite that, one can already hear politically correct voices finding sophistical reasons in favor of a two-thirds majority.[6]

## *Against Pluralism*

THE UNITED STATES clearly faces a delicate problem in South Africa. On the one hand it wishes to lend strong support to the breakthrough of democracy there symbolized by President Mandela's accession to power in 1994—and to this end it has, like the European Union, extended considerable aid to South Africa. On the other hand the Mandela government has posed it some awkward problems with its radical 1960s-style Third Worldism. (To convey the flavor: everyone within the ANC is addressed as "comrade"; we are in the fourth year of our "National Democratic Revolution"; and the ANC has declared 1998 "The Year of Popular Mobilization for the Consolidation of People's Power.") Looking abroad, the ANC has given high priority to its warm relations with Cuba and Libya (Mandela actually decorating Qadaffi with South Africa's highest honor) and has attempted to sell arms to Syria and Rwanda. It is currently negotiating to open diplomatic relations with Iraq and North Korea. Most mornings on the state-owned South African Broadcasting Corporation one can hear vitriolic attacks on the U.S. government from Alexander Cockburn. President Clinton's visit to South Africa in April was preceded with attacks launched from Deputy President Mbeki's office on "Northern NGOs", and even before Clinton's plane had touched down Mbeki had gone on air to reject the Clinton formula of "trade not aid." President Mandela publicly insisted that anyone who

[5]Fareed Zakaria, "The Rise of Illiberal Democracy", *Foreign Affairs* (November/December 1997).

[6]See Sean Jacobs, Richard Calland, and Mandy Taylor, "The Myth of the Two-thirds Majority", *Cape Times*, May 11, 1998. The three authors are all Idasa office-holders.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

wanted South Africa to tone down its relations with Castro and Qadaffi could "go jump in a pool", a remark naturally cheered on by the Communist Party.[7]

Faced with this the United States has, in effect, decided to embrace the new government while ignoring its radicalism, presumably in the hope that it will gently tow the ANC toward more moderate waters. This optimism has resulted in U.S. taxpayers supporting projects of a surprising kind. Thus USAID has spent $25 million on training the Communist-led Confederation of South African Trade Unions and spends millions more on educating black South Africans in economics at the University of the Western Cape, the self-styled "intellectual home of the Left", where education is generally radical or Marxist in hue. USAID is also giving $50 million to a minister of health who is involved in a bitter dispute with U.S. pharmaceutical companies over intellectual property rights (which they claim she is stealing). One can understand that there may be a certain realpolitik behind such choices—with sometimes ironic results, as for example when U.S. intelligence officers recently invited South African intelligence chief Linda Mti to receive its OSS Golden Candle Award at the Global Intelligence Forum in Washington. Mr. Mti, who, like the whole top level of South African intelligence, is East German-trained, accepted the award—and then launched into a bitter attack on "Americacentrism", "imperialist exploitation" which had led to the "rape and pillage" of the Third World, and so on.[8]

Similar astonishment was experienced by U.S. congressional supporters of the African Growth and Opportunity Bill, when South Africa's trade and industry minister, Alec Erwin, on a visit to Washington on August 6, airily dismissed the bill—from which South Africa stands to be the chief beneficiary—as "marginal", and said that "South Africa did not need" the bill's sweeping trade preferences and was ready to be excluded from its provisions.[9] Mr. Erwin—a leading member of the Communist Party, which rejects the Clinton administration's "trade not aid" emphasis exemplified by the bill—is an outspoken advocate of the view that South Africa should seek its trading future outside of its traditional partners in the United States and Europe. Currently some 90 percent of South Africa's export credits for the Americas have been extended to a country with which it does almost no trade: Cuba.

Such contradictions could be taken broad-mindedly as simply part of the passing show. But the real crunch comes with the question of a two-thirds ANC majority in 1999. South African liberals and democrats are appalled at the possibility of South Africa again becoming a one-party dominant regime: that was the experience we lived through between 1948 and 1994 and we want no more of it. Yet the ironic fact is that such views make those of us who hold them highly politically incorrect in ANC-ruled South Africa and thus pretty much untouchables as far as USAID, Ford, and other American foundations are concerned. A good number of concrete examples suggest that I would, quite literally, have a far better chance of gaining support for the foundation I run from American philanthropic or taxpayer funds if I were a Communist Party member. One can see no realpolitik reason for this. A two-thirds majority for the ANC (or any other party) could well ensure that South Africa becomes—at best—an illiberal democracy and that the path to a competitive multi-party democracy is blocked off. What is hard to understand is why almost the whole weight of U.S. (and, for that matter, EU) aid is being routed into directions that will help that two-thirds majority come about, capsizing the miracle for which we all cheered just four years ago. □

---

[7]See "Clinton's Visit: SA says no to re-colonisation", *Umsebenzi*, April 1998.

[8]*Business Day* (Johannesburg), May 21, 1998.

[9]Ibid., August 7, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Inside the Cave

## *The Banality of I.R. Studies*

James Kurth

THE TWENTIETH century has certainly been among the most—if not *the* most—grand and dramatic centuries in the history of international relations. In the military sphere, there was the First World War, the Second World War, and the Cold War (really a third world war). In the economic sphere, there was the Great Depression of the 1930s, the long boom of the 1950s-60s, and the oil shocks and world inflation of the 1970s. History doesn't get any more grand and dramatic than this. And at the end of the story comes the triumphal conclusion: the United States as the sole superpower, as the hegemon of the global economy, and as the first universal nation—bestriding the world more grandly than any empire since that of Rome.

In the same century, the universities of the United States have become the greatest and richest academic institutions in the history of intellectual life. Part of this is the result of the numerous services that the universities performed for the U.S. government during the Cold War. Part of it is the result of great national wealth. And part of it is due to the numerous scholars that have flocked to the universal nation—the nation made up of peoples from everywhere and representing every culture—from all over the world.

Surely then, we might reasonably think, the theories that American academics have produced about America's international role, and about international relations generally, would be commensurably rich and grand. But of course, we know that this is not the case. Most readers of *The National Interest* will have only a vague idea of what is being written by leading academics about international affairs, and this with good reason. In the sole superpower, the higher learning about international relations does not loom large on the intellectual landscape. Its practitioners are not only rightly ignored by practical foreign policy officials; they are usually held in disdain by their fellow academics as well.

This essay will offer a map of the landscape of international relations thinking in the United States. In general, it is a view of a great American desert. It will point to a few refreshing and enlivening oases, however, and it will suggest how these oases might grow to reclaim the desert and make it bloom.

### *The Two Great Traditions*

THERE HAVE BEEN two great traditions in the interpretation of international relations. One tradition emphasizes such ideas as the autonomous actions of sovereign states, the anarchy of international relations, the importance of national power, and the pursuit of national interests. For the past half century this perspective has been known as realism. The other tradition emphasizes such ideas as the necessity for states to engage in international cooperation, the har-

James Kurth is professor of political science at Swarthmore College.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mony of interests, the importance of international economic exchanges, and the erosion of the nation-state. For the past quarter century, this perspective has been known as liberalism. Each perspective has its strengths (otherwise it could not have continued to exist decade after decade). Each has its weaknesses (and, taken seriously, these could have dire consequences for America's role in international affairs).

There is also a third perspective that we should consider. It is not yet really a great tradition in the interpretation of international relations, but rather a major tradition in the study of comparative politics. In the future, however, it may prove to be the most useful, even if the most demanding, perspective from which Americans can view their role in the world. It emphasizes the distinctive cultural characteristics of different societies, as they are expressed by different kinds of states in the international arena. Many of these cultural characteristics derive from the great religions. A few of these societies are nation-states (e.g., Britain, France, Germany, and Japan). Others are multicultural states (e.g., the United States, Canada, and Russia). And others are entire civilizations largely under the rule of one government (e.g., China and India).

## *The Realist Tradition: Power & Tragedy*

THE FOUNDING father of the realist tradition was Thucydides, as he developed this distinct perspective in his great book, *The Peloponnesian War*. Written twenty-four centuries ago, this awesome achievement has never been surpassed in its rich and lucid understanding of the reality, and the tragedy, of relations and wars between independent states.

In the modern era, the realist tradition was developed in Europe by Carl von Clausewitz in *On War*, Leopold von Ranke in *The Primacy of Foreign Policy*, and Friedrich Meinecke in *Reason of State*. In America, it has been ably represented by Hans Morgenthau, Henry Kissinger, and George Kennan. The first two were refugees from Nazi Germany; Kennan has been the native-born American with the most sensitive and profound understanding of the reality and the tragedy of Central Europe in the twentieth century.

It is no accident that the great representatives of the realist tradition have been either Germans or Americans intimately familiar with Germany. The realist tradition was completely natural and logical for Continental powers operating within a balance of power system, particularly for a power at the center of the continent, i.e., Germany. As we shall see, however, it has not been so natural and logical for a great maritime power, even one on a continental scale, i.e., the United States.

The realist perspective was very good at explaining the great wars of the first half of the twentieth century. The scramble for colonies, the arms races, the competitive mobilizations of 1914—all of these events leading up to the First World War fit realist concepts, especially the concept of the security dilemma. Similarly, the ruthless pursuit of national interest, the brutal display of military power, and the fatal consequences of neglecting realist precepts—all of these factors leading up to the Second World War fit realist concepts, especially the emphasis on the prime importance of national power.

Even within these successes of the realist interpretation, however, there could be found some anomalies. In regard to the First World War, it could be argued (and was argued by President Woodrow Wilson and other Americans) that the sudden outbreak and prolonged stalemate of that horrendous war, the very Great War itself, was a result of the *failure*, not the success, of realist concepts and precepts. Surely the balance of power system and the dual-alliance system, so much in keeping with realist notions, made the war as great as it was.

Similarly, in regard to the Second World War, it was all very well to say that realist concepts and precepts like balance of power and containment (as were advocated by Winston Churchill) could have prevented the war. But, as it happened, the leading



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

British academic realist of the time, E.H. Carr, writing in his influential 1939 book *The Twenty Years' Crisis, 1919-1939*, gave an extremely comprehensive and sophisticated argument for the policy of appeasement. If realist concepts and precepts could lead to such opposite policies as containment and appeasement on an issue of such importance as what to do about Nazi Germany, then they hardly could be of much practical use to statesmen trying to make decisions.

In between the two great world wars, there was a great economic calamity. The Great Depression clearly resulted from the economic disruption caused by the First World War and it even more clearly resulted in the Second World War. However, realists had virtually nothing to say about it. Their concepts and precepts, focused almost exclusively upon military ("security") issues, could not encompass economic ones, even if these had the gravest of consequences for international security.

Eventually (forty years later), there was developed a power-centered interpretation of the origin of the world depression. This was the account by Charles Kindleberger of MIT in his 1973 book, *The World in Depression, 1929-1939.* But Kindleberger was a distinguished economic historian, not a realist theorist of international affairs. Further, while he argued for the necessity of an "economic hegemon" that would ensure the smooth operation of the international economy, realists have always argued that a hegemon is what every other power would, or at least should, strive to prevent.

THE SECOND half of the twentieth century was the really American part of the century. How did realist concepts and precepts fit the major military and economic occurrences of this period?

The realist perspective could readily explain the Cold War. The division of Europe into two blocs, the competition for influence in the Third World, and the competitive arms race all fit realist concepts, especially the policy of containment and the strategy of nuclear deterrence. Even within this success of the realist interpretation, however, there again could be found some anomalies. In regard to the division of Europe, it could be argued (and was argued by that eminent realist, George Kennan) that U.S. national interests would better be served by a policy of disengagement that would create a neutral buffer zone in Central Europe. Similarly, in regard to the Vietnam War, a prime example of competition for influence in the Third World, Hans Morgenthau argued against the U.S. intervention, while Henry Kissinger was in favor of it. Again, if realist concepts and precepts could lead to such opposite policies as containment and disengagement in regard to the Soviet Union and to such opposite policies as intervention and non-intervention in the Vietnam War, then they hardly could be of much practical use to statesmen (even Kissinger) trying to make decisions.

In the midst of the Cold War and at the end of the Vietnam War, there came the breakdown of the Bretton Woods system and the oil price revolution. The first clearly resulted from the decline in the dollar generated by the Vietnam War, and the second was accelerated and deepened on account of the October 1973 Middle East war. In turn, they created instability in important military spheres, such as U.S. containment of the Soviet Union and U.S. influence in the Middle East. Despite this, academic realists had virtually nothing to say about these momentous international occurrences. Again, their concepts and precepts, founded almost exclusively upon military issues, could not encompass economic ones, even if these had serious consequences for international security.

Finally, near the end of the twentieth century came one of the greatest, and the strangest, events in the history of international relations, the sudden collapse of the Soviet Union and the end of the Cold War. What did this event tell us about the validity and vitality of realist concepts and precepts?

On the one hand, a central cause of the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Soviet collapse was the determined policies of containment and military buildup of President Ronald Reagan. Ironically, however, at the time that Reagan was pursuing these policies, most distinguished realists, including Kennan and even Kissinger, criticized them. They did not think of Reagan as being a realist but rather as an ideologue, even a simplistic idealist (and "idealism" had always been soundly condemned by realists).

On the other hand, as Reagan himself knew, his military policies could only work because of the basic economic weaknesses of the Soviet economy, particularly the inability of the Soviet Union to compete in international markets. This was the second central cause of the Soviet collapse. And on this the realists had nothing to say.

The realist perspective, thus, has had a rather checkered record in interpreting the great international occurrences of the twentieth century. In the first half of the century, when Europe and its balance of power were central to international affairs, realism at best could account for the two world wars, but even there its interpretation was ambiguous and underdetermining. In the second half of the century, when America and the bipolar system were central to international affairs, realism's record was even less impressive. It could account for the beginning and continuing of the Cold War, but it could not account in important cases (like Vietnam) for how the Cold War was conducted and how it came to an end.

The real strengths of realism do not lie in its concepts and precepts, in its clear and accurate understanding of the *reality* of international affairs. Rather, they lie in its attitudes and sensibilities, in its mature and profound understanding of the *tragedy* of international affairs. This is ironic, of course, given the general disdain that most realists have for such "soft" phenomena as attitudes and sensibilities. But these and the understanding of tragedy that they bring are the very qualities that lift the writings of Morgenthau, Kissinger, and, above all, Kennan to the heights. They understand Thucydides, and like Thucydides they also understand Sophocles. Thucydides would recognize each of them to be one of his own.

## *Structural Realism: The Academic Revision of the Realist Tradition*

MORGENTHAU, Kennan, and Kissinger, of course, were very different in the degree to which they actually made or influenced U.S. foreign policy in the course of their careers. Morgenthau was a well-known commentator, Kennan a prominent diplomat, and Kissinger a famous national security advisor and secretary of state. But they were all prolific in their writings in the leading opinion journals that dealt with international affairs at the time, such as *Foreign Affairs*, *Foreign Policy*, and *The New Republic*.

They were also very different in the extent that they were academics in the course of their careers. Morgenthau taught for many years at the University of Chicago, Kennan wrote from the Institute for Advanced Study near Princeton, and Kissinger taught for about a decade at Harvard. But none of them saw himself as an academic; they were in the academic world, but not of it. For such men, the fact that their writings were characterized as being more about reality and tragedy than about rigor and theory was not a serious criticism. This was also true of two other distinguished realists, Robert W. Tucker and Robert Osgood, both of Johns Hopkins University. Although principally academics, they too published extensively in the leading opinion journals.

Most academics, however, are only academics. In the course of their careers, they have been paid a salary only by a university; they are one-dimensional people. They therefore have not had the breadth of experience to give them a sense of the reality of international relations; nor have they had the depth of experience to give them a sense of its tragedy. These are the hollow men, and the shallow men, too.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

For such people, there are only a few kinds of achievements possible in regard to international relations. One of them is to sit down and spin out theories that fellow academics will praise as being rigorous and original. (Merely being realistic and responsible, in contrast, will not evoke their praise.) In truth, most academics are only concerned about the good opinion of about a dozen other academic specialists in their particular sub-sub-field.

It was only a matter of time before the realist tradition would be appropriated by the theoretical academics. The result was structural realism.

Realism had often assumed a balance of power system, one composed of several great powers. This was indeed realistic up through the first half of the twentieth century. With the advent after 1945 of the bipolar system consisting of the United States and the Soviet Union, however, a main assumption of realism ceased to be realistic.

One of the first scholars to think systematically about the special dynamics of a bipolar system was Kenneth Waltz, who in 1964 published an important article on "the stability of a bipolar world", and who became one of two leading international relations scholars at the University of California at Berkeley (the other, whom we will mention later, was Ernst Haas). Waltz continued to develop the idea that different international systems were distinguished by different numbers of leading powers and different distributions of power among them, i.e., by different international structures. These different international structures of power give rise to different kinds of international behavior (including stability or instability). In 1979, he published his thoughts about international structures in *Theory of International Politics*, thus becoming the founding father of structural realism.

Waltz's theory was so general and abstract that it could be seen as more a taxonomy or a tautology than a true theory. It is no accident that his book normally is only cited in the academic journals dealing with international relations, such as *International Security* and *World Politics*, and never in the policy journals such as *Foreign Affairs*, *The National Interest*, *Foreign Policy*, and *World Policy Journal*. But in the academic literature it has been cited profusely.

When Waltz applied his abstract theory to policy issues, he demonstrated why he was ignored by policy professionals. Waltz argued that international stability would be *increased* by nuclear proliferation; more nuclear powers would make for less international aggression. There probably has not been a single foreign policy professional in the U.S. government who has found this notion to be helpful.

## *International Security Studies: The Highest Stage of Academic Realism*

BUT Waltz should not be dismissed as being only an academic eccentric. He also mentored about two dozen younger academic specialists in international relations and security studies. They have written in the 1980s and 1990s a large number of useful (and realistic) books on such topics as the dynamics of multipolar systems, alliance formation, arms races, offensive versus defensive strategies, and stable versus unstable deterrence. The international security scholars also publish and debate extensively in the leading academic journal in their field, which is appropriately titled *International Security*.

The most distinguished of these international security scholars is John Mearsheimer of the University of Chicago. His book *Conventional Deterrence* (1983) presented an analysis, with historical cases, of how deterrence based upon conventional (nonnuclear) weapons had worked or had failed. In the mid-1980s, this book was highly relevant and applicable for senior U.S. military officers, who were then developing nonnuclear deterrence strategies against the Soviet Union (e.g., the Air-Land Battle Doctrine of the army and the Maritime Strategy of the navy).

There are other distinguished scholars



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who have been part of the structural realist school, but who have developed theories and analyses of international security that have been informed and sophisticated in their use of history, as well as relevant and applicable to contemporary issues in U.S. foreign policy and military strategy. They are Barry Posen of MIT, Jack Snyder of Columbia, and Stephen Walt of the University of Chicago. Together with Mearsheimer, they have made the contemporary American academic version of realism worthy of the great tradition.

However, even the international security version of realism has had difficulty in interpreting the post-Cold War world and America's role within it. In 1990, Mearsheimer published a major article entitled "Back to the Future: Instability in Europe after the Cold War", which argued that the new multipolar system would produce greater instability than the old bipolar one (he entitled another version of this article "Why We Will Miss the Cold War"). A little later, he became especially concerned about the threat that Russia posed to Ukraine and argued that Ukraine should remain a nuclear power. This fidelity to the notions of the stability of a bipolar world and to the stability of nuclear multipolarity doubtless was consistent with the theories of Kenneth Waltz. But it was remote from the realities of the new international system.

The international security version of realism remains useful in interpreting the cases of military confrontations between states. At the present time, these are largely those old familiar conflicts in the Middle East (involving Israel, Iraq, or Iran) and in South Asia (involving India and Pakistan). In the future they may come to include conflicts between China and the United States. But such military confrontations are not now among the central realities of contemporary international relations and U.S. foreign policy. And on the role of the United States as the sole superpower, as the hegemon of the global economy, and as the first universal nation, academic realists have had nothing to say.

## *The Liberal Tradition: Wealth & Harmony*

THE LIBERAL TRADITION has no founding father comparable to Thucydides. But liberals themselves nominate as their early authors such figures as Hugo Grotius (the general good of international law), Immanuel Kant (the peaceful nature of republics), and Adam Smith (the beneficial consequences of free trade).

It is no accident that Grotius was Dutch and that Adam Smith was British. (Kant was technically a Prussian, but the least-Prussian Prussian in history.) The liberal tradition was completely natural and logical for maritime powers operating within an international trading system. This was the case with the Netherlands and Britain—and the United States.

More subtly, the liberal tradition, especially in its harmony-of-interests form, has been useful for two particular kinds of *hegemonic* powers. One is the leading maritime and commercial power in the world, a role played successively by the Netherlands, Britain, and the United States. Such powers are naturally in a position to shape and enforce an international law of the sea that serves their maritime interests, and an international law of trade that serves their commercial interests.

The liberal tradition has also been useful for a second kind of hegemonic power. This is the dominant power within a particular region. Such powers rarely existed alone, and never existed for long, on the European continent. In the world beyond Europe and across the seas, however, Britain was the dominant power in much of Africa, the Middle East, and South Asia. Even more indisputably, the United States has been the dominant power in the Americas. Such dominant powers naturally and logically develop the notion that their views—obviously broader and higher than those of the lesser powers in their region—and the international organizations that implement these views (and are dominated by the dominant power) have the quality of being in the common good, the general interest, indeed the harmony-of-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interests of all the powers of the region.

How good has the liberal tradition been in interpreting the great international occurrences of the twentieth century? Given its basic concepts, it was hardly capable of predicting the outbreak and prolonged stalemate of the First World War (indeed, liberals are notorious for having predicted perpetual peace on the very eve of that war). Once the war occurred, however, liberals like Woodrow Wilson developed their own distinctive explanations for why it happened (i.e., too much realism on the part of European leaders) and how such wars could be prevented in the future (i.e., by such means as international organization, international law, and collective security). Of course, these means then proved to be utter failures in preventing the Second World War.

The liberal tradition might have been expected to do better in the realm of the international economy. However, believing in the smooth operation of free markets, it failed to predict the Great Depression. Once that occurred, however, liberals like Secretary of State Cordell Hull developed their own distinctive explanations for why it happened (tariff barriers and trade blocs) and how such depressions could be prevented in the future (a more free market in the international economy). But such prescriptions were fruitless until, as a result of the Second World War, the United States was in a position to become the economic hegemon of the international economy. That was hardly a liberal idea until Charles Kindleberger developed it.

In short, as a theory of international relations, liberalism was pretty much a total failure during the first half of the twentieth century. Of course, there could always be found many Americans who said that if only Wilson's or Hull's plans had been realized, then we could have prevented the Great Depression and the Second World War. But to most Europeans and to realist (and European-minded) Americans, it was no accident that these plans had not been realized; they were indeed unrealistic. To the realists, the liberals seemed at best simple and silly and at worst stupid and dangerous. And, given the realities and the tragedies of the international situation at mid-century, what the realists thought about the liberals was right.

The second half of the twentieth century was the really American part of the century. How did liberal concepts and precepts fit the major military and economic occurrences of this period? Is it possible that, as the century became more American, the American and liberal perspective became more valid (even more realistic)?

The liberal tradition had a hard time dealing with the Cold War. Liberals could say that if the Soviet Union would only dismantle its command economy, its autarchic system, and its totalitarian regime, then there would be no Cold War—but this obviously was not very useful policy advice during the Cold War itself.

The liberals had a much better record in dealing with the American-led side of the bipolar conflict, especially in regard to Western Europe. Here, the liberal concepts and precepts of free markets and liberal democracies were established, and they operated and succeeded superbly. But they only did so because Western Europe was American-led, because the United States was the hegemonic economic and military power there. Once again, the liberals found it almost impossible to articulate a concept of hegemony and the necessity for it.

Instead, liberal accounts of international relations in the 1950s and 1960s focused upon international organizations, first upon the United Nations and then, when that had demonstrably failed, upon regional economic organizations, especially the European Economic Community. At the same time, most liberals carefully managed to ignore regional military organizations, such as NATO. To have done otherwise would have forced them to accept the reality and the necessity of the United States as a military hegemon.

## *Structural Liberalism: The Academic Revision of the Liberal Tradition*

THE FOCUS upon international economic organizations was very pronounced among academic liberals. For a time



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in the 1960s, "regional integration" seemed to be their preferred solution for just about any international problem.

The founding father of regional integration studies was Ernst Haas, the other leading international relations scholar at the University of California at Berkeley. Haas' major books were *The Uniting of Europe* (1958) and *Beyond the Nation-State* (1964), whose titles nicely expressed his fondest hopes. In later years, he continued to write, but about this or that obscure UN agency—that is, he wrote more and more about less and less.

With the international economic disruptions of the 1970s—not only the breakdown of the Bretton Woods system, but the oil price revolution and worldwide inflation—liberal theorists of international relations finally had some important events about which they had something useful—or at least interesting—to say, and about which the realists were silent or ignorant. This was the time of the birth of the academic field of international political economy. Writers on the politics of the international economy began to dominate the old liberal academic journal, *International Organization*, which hitherto had devoted itself to studies of the United Nations, the European Community, and a variety of meaningless regional organizations in the Third World.

The liberals recognized that international economic organizations by themselves were not enough to prevent worldwide economic turmoil. (Indeed, one such organization, OPEC, had mightily helped to produce that very turmoil.) They were told by Kindleberger that some sort of economic hegemon was necessary to maintain stability in the international economy, and many of them now acknowledged (at least temporarily) that this was the case, giving birth to a new sub-sub-field of international relations called "hegemonic stability studies." However, the United States, which had been that hegemon, was now in economic decline relative to the rising economic powers of the European Community, Japan, and OPEC. The academic liberals had discovered American hegemony at the very moment that it seemed to be on the verge of disappearing. What was to be done?

For liberals, the answer was inevitable. There was, they reassuringly announced, life after hegemony. It was to be found in some new version of their old friend, international organization. One such version was put forward by Robert Keohane of Harvard in his aptly entitled book, *After Hegemony* (1984). Keohane acknowledged that American hegemony and power had originally been necessary to set up important international economic organizations such as the International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT). But once these organizations became established and institutionalized, their salutary principles and practices could assume a life of their own and could carry on even in the absence of American power. Liberal structures, or structural liberalism, could maintain the stability of the international economy "after hegemony." Keohane thus became the founding father of structural liberalism.

## *International Regime Studies: The Lowest Form of Academic Liberalism*

THE notion that liberal principles and practices—liberal structures—in international relations could carry on in the absence of American power was captivating to academic liberals. They had always avoided (and some had energetically hated) the realities of American power anyway. In the 1980s, they enthusiastically developed a new sub-sub-field called "international regime studies." The use of the word "regime" in this context had nothing to do with previous usages which referred to independent governments (e.g., "authoritarian regime"); quite the contrary, "international regimes" were those liberal principles and practices that were willingly, even automatically, followed by states who cooperated with each other in regard to a large number of international issues and international arenas. These were said to range all the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

way from "the international non-proliferation regime" (dealing with nuclear proliferation), through "the international monetary regime", to "the international human rights regime."

In the 1990s, American power has not only returned but has risen to new heights. Now, there would seem to be no doubt that there is an American hegemon supporting and advancing all those liberal principles and practices in all those international issues and arenas. But international regime studies carries on, analyzing in minute detail the intricacies of "norms", "rules", and "procedures" among states, while never discussing the power that makes them all work. Regimes without regimens, norms without the normal behavior of states, rules without rulers, procedures without prowess, above all, banalities without even truisms—it doesn't get any worse than this. Most of this academic make-work is done by people who are with second-rate universities, third-rate minds, and fourth-rate temperaments.

## *The War Between the Sub-Fields*

IN THE 1990s, then, it became evident that neither structural realism nor structural liberalism, neither international security studies (ISS) nor international political economy (IPE), had much to say that was interesting and relevant about the central realities of international relations in this decade—the United States as the sole superpower, as the hegemon of the global economy, and as the first universal nation. Given this general incapacity, one might reasonably have expected that a certain humility might have developed within the two sub-fields of international relations and even a certain harmony between them. But of course, since we are talking about academics, we know that this has not been the case. Academics may be petty, but they are never humble.

For the most part, the two academic subfields of ISS and IPE loathe each other. On occasion, I have heard a scholar in one of the subfields say a good thing about a scholar in the other. It is much more common, however, for them to ignore each other, to revile each other, or even to plot against each other. The realists revile the liberals for being naive, even pusillanimous, about the realities of power. The liberals revile the realists for being simplistic, even primitive, about the subtleties of cooperation.

Like other academic wars, the war between ISS and IPE will end not with a bang but with a whimper. More exactly, it will end with the denial of tenure. Although the leaders of ISS and IPE have dominated the study of international relations at the leading American universities for more than two decades, they no longer dominate the tenure process in their academic departments; they thus are not reproducing themselves unto the next generation of tenured professors. Realists, who claim to understand power, and liberals, who claim to understand process, have lost power over the tenure process to two other sub-fields of international relations. We have not even mentioned these sub-fields up to this point because of their utter lack of interest and relevance to anyone outside of themselves. One is Rational Choice theory; the other is Post-Modern theory.

The first is hyper-rationalist; the second is anti-rationalist; they both are unreadable. But because they are in accord with the more general fads and fashions in the social sciences in the 1990s (Rational Choice in economics, Post-Modernism in history and sociology), they dominate the new tenured appointments in political science. This means that in most American universities in the future, the study of international relations will be even more uninteresting and irrelevant than it is now.

## *The Union of Realism and Liberalism*

RISING ABOVE these squalid squabbles have been a few (too few) scholars who have been able to understand and to use both the realist and the liberal perspectives, even to integrate both the security and the economic modes of analysis. Since in the real world of international relations both power and wealth, both security and economy



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are integral and at the center, these scholars have been the true realists. And, in being able to appreciate more than one perspective, they also have been the true liberals.

One of these is Robert Gilpin, who taught for many years at Princeton. His major books have masterfully integrated security and economic analysis: *U.S. Power and the Multinational Corporation* (1975), *War and Change in World Politics* (1981), and *The Political Economy of International Relations* (1987). Gilpin also quickly followed Kindleberger in explaining the central importance of U.S. hegemony, not only in ordering the international economy but also the international system more generally. Another such scholar has been David Calleo of Johns Hopkins University. His major books likewise have masterfully integrated security and economic analysis and described the central importance of U.S. hegemony: *America and the World Political Economy* (1973) and *The Impervious Economy* (1982). The integrated mode of analysis exemplified by Gilpin and Calleo provides a way of interpreting two of the three features of the contemporary U.S. role in international relations that we have been noting. These are the United States as the sole superpower and as the hegemon of the global economy.

It was probably no accident that both Gilpin and Calleo were also very knowledgeable about particular continental European nations. Gilpin's works included *France in the Age of the Scientific State* (1968); Calleo's included *The German Problem Reconsidered: Germany and World Order* (1978). Their ability to rise above the one-dimensional qualities of their colleagues probably owed something to their European understanding.

The third scholar who masterfully integrated realism and liberalism was Hedley Bull, who was probably the best international relations theorist of his generation in the British Commonwealth. Although Bull did not emphasize economic issues, he did magnificently combine an appreciation, even a tragic sense, of both the reality of international anarchy and, despite and because of this, the necessity for international cooperation. The paradox and the subtlety of his analysis are expressed in the title of his major book, *The Anarchical Society* (1977).

## *The Cultural Perspective: Faith & Identity*

AN INTERPRETATION of international relations that is based upon the union of realism and liberalism, upon the integration of security and economic modes of analysis, is well suited to comprehend such central realities as the United States as the sole superpower and the hegemon of the global economy. But it is not enough. By itself, a focus upon these two features of the U.S. hegemonic role will lead to a rather linear view of the future of international relations: U.S. military power and economic leadership will continue to shape the rest of the world in their own way for a long time to come. This is a view of the future that is widely held among American political and economic elites in the late 1990s. At the end of one American Century, they look forward to a second.

However, if we view international relations with a third perspective, that of culture, we arrive at a more complex prospectus. The American role in the world in fact will be greatly determined by the interaction between American culture and the culture of other major states and societies. The culture of the first universal nation is not as universal as that nation's liberal elites like to think. When the United States deploys its military superpower and economic hegemony to promote and spread its distinctive culture, other cultures can be expected to resist and react. The result is "the clash of civilizations" that has been so famously described by another great American scholar, Samuel Huntington of Harvard.

Huntington is widely recognized as being the most distinguished political scientist of the last third of the twentieth century. He has written masterly works in comparative politics (*Political Order in Changing Societies*, 1968), American politics (*American Politics: The Promise of Disharmony*, 1981), and now inter-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

national relations (*The Clash of Civilizations and the Remaking of World Order*, 1996). He has been extensively cited in the academic literature. But he has also periodically served as an adviser to prominent U.S. policymakers, and he has been prolific in his writings in the leading opinion journals dealing with international relations.

As is well known, Huntington argues that the main conflicts of the twenty-first century will not be the ideological conflicts of the twentieth century or the national conflicts of the nineteenth century. They instead will be cultural conflicts, conflicts between the great civilizations.

Almost all cultures are derived from prior religions, even those cultures of today that think of themselves as secular (e.g., the Western). Cultural conflicts thus are about faith and identity; they are fundamental and therefore often involve "fundamentalists." Huntington emphasizes several great civilizations: Western, derived from Latin Christianity; Orthodox, derived from Greek Christianity; Islamic; Hindu; Sinic, derived from Confucianism; and Japanese. (He also mentions Latin American, Buddhist, and African civilizations.) There have been conflicts between these different civilizations in ages past, and they will continue for ages to come. But the fundamental conflict of our era, he maintains, will be the conflict between Western civilization and the others—"the West versus the Rest."

For most of the American Century, the leading power of Western civilization has been the United States. It is now also the sole superpower and the hegemon of the global economy. This means that the United States is capable of promoting and spreading not only its conception of world order and global economy, but also the culture of the first universal nation. Many of America's elites believe this culture to be universal; many of the elites of other states and societies believe it to be distinctively Western (or even American) and therefore in some degree alien to their own culture. This is the fundamental reason why there is a conflict between the West and the rest.

## *The Universal Culture and the Liberal Tradition*

WHAT ARE the main features of this supposedly universal culture? It turns out that they are very similar to what we have been describing as the liberal tradition in international relations. Universal culture is largely liberal ideology.

Four decades ago, Louis Hartz wrote about the peculiar quality of the American worldview in his renowned *The Liberal Tradition in America* (1955). Two decades ago, Samuel Huntington expanded on this theme with his account of the American Creed in *American Politics: The Promise of Disharmony*. Now, the true believer in the liberal tradition, the United States, is trying to make it the universal creed of the entire world.

The fundamental elements of the liberal tradition and American Creed are free markets and equal opportunity, free elections and liberal democracy, and constitutionalism and the rule of law. The core element is individualism. Most of these elements were already in place in the United States by the early nineteenth century. They were well described by Alexis de Tocqueville in *Democracy in America* (1835).

The liberal tradition and American Creed definitely do not include as elements hierarchy, community, tradition, and custom. This has meant that they have been in fundamental opposition to almost all of the great religious traditions, for whom both hierarchy and community are integral (e.g., Roman Catholicism, Eastern Orthodoxy, Islam, Hinduism, Confucianism, and even, to a degree, Buddhism). The one religion that is not based upon these is Protestantism, especially the Reformed versions of Protestantism (e.g., Calvinism, Puritanism, Presbyterianism, and Congregationalism) that so much shaped the origins of the United States. Alone among the great religions, Reformed Protestantism totally rejects hierarchy, community, custom, and tradition.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

When American Protestantism underwent secularization, it took a unique form that was unlike the secularization of other religions. The liberal tradition, the American Creed, and, more recently, the Human Rights ideology have been the result. Although in the last generation American political and intellectual elites may appear to have replaced the American Creed with the universal conception of Human Rights, Human Rights really carries the American Creed to a logical conclusion and to a universal extent. Although not themselves Protestant, the liberal tradition, the American Creed, and the Human Rights ideology are the product of a Protestant culture and are a secularized version of Protestantism.[1]

The liberal tradition in America and the liberal tradition in international relations have always had much in common. This explains why in America the long war between the realist tradition and the liberal tradition has never been an equal one. The liberal tradition is comfortably in the American grain; the realist tradition is sensed as being somehow un-American. The only time the realist tradition can receive a wide hearing is when the security of the American nation is in peril, e.g., during the two World Wars and the Cold War. Conversely, when the nation is enjoying peace and prosperity (never more so than in the 1990s), liberalism will be triumphant if not also triumphalist.

And so the first universal nation is now poised to enter into a great clash of civilizations, into what will really be a war between a religious heresy (secularized Protestantism) and all other religions. It is the liberal tradition, with its presumption of harmony and its resulting heedlessness, that could get us into this war. It is the realist tradition, with its sense of tragedy and its resulting attitude of prudence, that could keep us out. But we already know which of these two traditions will prevail. The liberal tradition is not only *in* America, it *is* America. The realist tradition, in contrast, is not only rarely in America, it is un-American. The tragedy of America could be that America is incapable of a sense of tragedy—and the tragedy of the American discipline of international relations is that few of its practitioners would make any sense of such a proposition. □

[1]See my article, "The Protestant Reformation and American Foreign Policy", *Orbis* (Spring 1998).

## *What a Guy!*

Mr. Coolidge's genius for inactivity is developed to a very high point. It is far from being an indolent inactivity. It is a grim, determined, alert inactivity which keeps Mr. Coolidge occupied constantly. Nobody has ever worked harder at inactivity, with such a force of character, with such unremitting attention to detail, with conscientous devotion to the task. Inactivity is a political philosophy and a party program with Mr. Coolidge, and nobody should mistake his unflinching adherence to it for a soft and easy desire to let things slide.

—Walter Lippmann on the 30th President



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# The Indonesian Debacle

## *What Americans Need to Know and Do*

Andrew MacIntyre

SOMETHING VERY important is happening in Southeast Asia, but its significance has yet to register fully in America. Indonesia, the Brazil of Southeast Asia, is in very deep trouble. It has often been said that, as the world's fourth-largest country, Indonesia is the important country America least understands. The last time the United States paid serious attention to it was in the mid-1960s when, as the Cold War gripped Southeast Asia, Indonesia came very close to imploding. For roughly a quarter century after that, the country was a low profile economic success story, and the anchor of regional stability in Southeast Asia.

This year Indonesia has been thrown into a very deep crisis. Having made truly extraordinary economic progress and become a model of developmental rectitude for the World Bank, it is now experiencing economic devastation. Indonesia's economy has yet to bottom out, and the task of rehabilitation will be very difficult. To compound its problems, Indonesia is now also having to grapple with the task of constructing a new political system following the collapse of the deeply entrenched authoritarian regime of the long-serving strongman, Suharto. The country's political life is today changing rapidly, with the rise of a politicized Islam and other groupings in preparation for the expected reworking of the country's political framework.

There is much at stake in Indonesia today. If the economy is laid low for a long period, not only will there be major human suffering but democracy will have little chance of taking hold. The ensuing troubles would affect the well-being of Southeast Asia more generally. Indonesia stands at a threshold: this could be a transitional point at which its political and economic institutions mature, or it could just as easily slide backwards into a truly frightening abyss. How the United States responds to Indonesia's current crisis may well have long-lasting consequences. It is time for America to start paying serious attention again.

Andrew MacIntyre is associate professor at the Graduate School of International Relations and Pacific Studies at the University of California, San Diego.

### *From Bust to Boom*

BEFORE turning to the questions of what has gone wrong in Indonesia and where the country is now headed, some history. Suharto's so-called New Order regime was born amidst economic and political chaos even greater than that which now grips the country. Under the erratic socialist-style economic management of his predecessor, Sukarno, the economy limped through the early 1960s before suffering a complete breakdown in 1965 as hyperinflation spiraled out of control. Intertwined with the country's worsening economic plight were mounting tensions between the very large and active Indonesian Communist Party on the Left, and the army together with Muslim groups on the Right.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The spark that finally set this combustible situation ablaze was an abortive coup attempt by disaffected military officers at the beginning of October 1965. In the ensuing confusion, Sukarno was discredited and pushed aside as Major General Suharto moved to put down the coup, link it to the Communist Party, and assume increasing control of government. What followed was a year of bloody chaos and a fundamental realignment of national politics. As the pendulum swung from left to right, the Communist Party was outlawed and a tidal wave of killing swept the country, with somewhere between one hundred thousand and one million Indonesians slaughtered in an uncontrolled anti-communist pogrom.

Backed by the military and, initially at least, a broad coalition of civilians, Suharto vowed to re-establish order and to revive the economy. This he certainly did. On the economic front he and his advisers engineered a dramatic re-orientation. A stiff stabilization program was put in place and accompanied by a range of measures to open the economy. In return, a large consortium of creditors comprising the IMF, the World Bank, the United States, and an array of other industrial countries agreed to extend Indonesia large-scale financial assistance. This proved to be one of the most successful emergency stabilization efforts ever attempted in the developing world. Hyperinflation was quickly brought under control, local Indonesian Chinese investors returned, and foreign capital began to flow in (primarily U.S. oil and mining companies and Japanese manufacturers). Indonesia's economy started to pick up very quickly.

Indonesia was also a beneficiary of the OPEC-led oil price revolution. Inevitably, a substantial portion of this bonanza was squandered or pilfered. More remarkable, however, was the fact that some of it was well used. By comparison with most other oil-rich developing countries, Indonesia was able to contain macroeconomic distortions and to ensure that a decent share of the revenue was invested in public education, health systems, and other public infrastructure. One notable by-product of the oil boom was that it reduced the country's dependence on foreign capital and encouraged a resurgence of economic nationalism. Although less open to the global economy, Indonesia continued to grow very rapidly through the 1970s on the basis of domestically oriented manufacturing and service industries and natural resource exports.

Most of the firms that prospered during this period were controlled by Chinese Indonesians. A small minority (3-5 percent of the population) and long subject to popular resentment, Chinese Indonesian business people typically got ahead by hitching their fortunes to the most influential bureaucrat or military officer they could afford, exchanging economic favors for preferential treatment and political protection. The more powerful and enduring the patron, the more successful the firm.

But not all the main economic action was taking place in the corporate sector; also critical during this first decade of rapid growth were the truly remarkable gains made in rice productivity. Where Indonesia had struggled to feed itself and had hitherto been the world's biggest importer of rice, by the early 1980s self-sufficiency in rice had been achieved.

Indonesia's economic success story underwent a fundamental change in the mid-1980s when the country was hit by a severe balance of payments crisis as a result of collapsing oil prices and the realignment of the dollar-yen relationship. In a radical restructuring exercise, the government moved to deregulate the financial sector and cut back the plethora of trade and investment restrictions that had accumulated through the oil-boom years and which prevented Indonesia from being internationally competitive. These reforms, together with a flood of foreign capital from Japan, Korea, and Taiwan in the late 1980s, saw Indonesia shift to a much more export-oriented footing as labor-intensive manufactures began to take off and surpass traditional natural resource exports. Indonesia was away on the next phase of its economic



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

success story, which continued unabated until the crash of 1997-98.

Fundamental change occurred in the political sphere as well, though this produced international criticism rather than acclaim. The swing to authoritarian politics in Indonesia actually began as far back as 1957, when Sukarno and the army declared martial law to end the fledgling republic's short and messy experiment with parliamentary democracy. However, it was under Suharto's New Order that a stable and systematic pattern of authoritarian rule evolved. Having eliminated the Left, Suharto moved to consolidate his grip on the armed forces and the bureaucracy. Military officers were placed in oversight positions throughout the national bureaucracy and through sub-national official structures, reaching right down to the village level.

Along with tightening its grip on the state apparatus, the government worked to limit and control autonomous political activity within Indonesian society. Political parties were emasculated and became pliant instruments of the government. Interest groups were co-opted in a vast yet indolent corporatist network organized beneath the umbrella of the state political party, GOLKAR. While the electoral process was not subject to gross fraud or machine guns at the ballot box, it was nonetheless a carefully choreographed exercise that was systematically weighted in GOLKAR's favor. As this system of political control and demobilization solidified, and with the economy continuing to boom, the position of the president became both secure and all-powerful. Every five years he was elected unopposed by the Peoples' Consultative Assembly, a tame body comprising the House of Representatives and an equal number of appointees.[1]

Employing both carrots and sticks, Suharto's New Order regime functioned smoothly for a remarkably long time. The great majority of the population enjoyed impressive economic advancement, with people in positions of importance—especially key supporters—having opportunities to capture great wealth. Still, when faced with acts of political defiance or organized dissent—whether from alienated and pious Muslims or angry and unco-opted labor activists—security forces did not hesitate to crush opponents.

Within Indonesia, the primary complaints against the regime centered on political restrictions and corruption. Internationally, the focus of political criticism centered not so much on mainstream political dissent as on human rights abuses in the treatment of separatist movements in two provinces on the eastern fringe of the archipelago: Irian Jaya and East Timor. Both territories were incorporated into the republic under the New Order. Irian Jaya became part of Indonesia as a result of a dubious self-determination exercise in 1969 after being prized loose from the Dutch with U.S. support. East Timor was annexed militarily by Indonesia in 1976, following Portugal's abandonment of its former colony and the outbreak of civil war there.

The resistance to Indonesian rule has been stronger in East Timor, with the Free Papua Movement in Irian Jaya being a much smaller and more divided grouping than Fretilin, its counterpart in East Timor. In addition to pumping large sums of money into East Timor, Indonesia has relied heavily on its armed forces to overcome the opposition. This strategy has been a failure. Along with a very high death toll, demands for independence in East Timor have continued unabated and Jakarta has had to endure constant international condemnation in the name of a cause that commands little public support elsewhere in the country. With Indonesia in

[1]Indonesia's governmental structure is unusual. The House of Representatives serves as the legislature or parliament; the Peoples' Consultative Assembly is nominally the highest political authority in the land, with the task of approving very broad policy guidelines and, more importantly, of selecting the president and the vice president. Once Suharto's power was consolidated, the Consultative Assembly—like the House—consistently did his bidding.



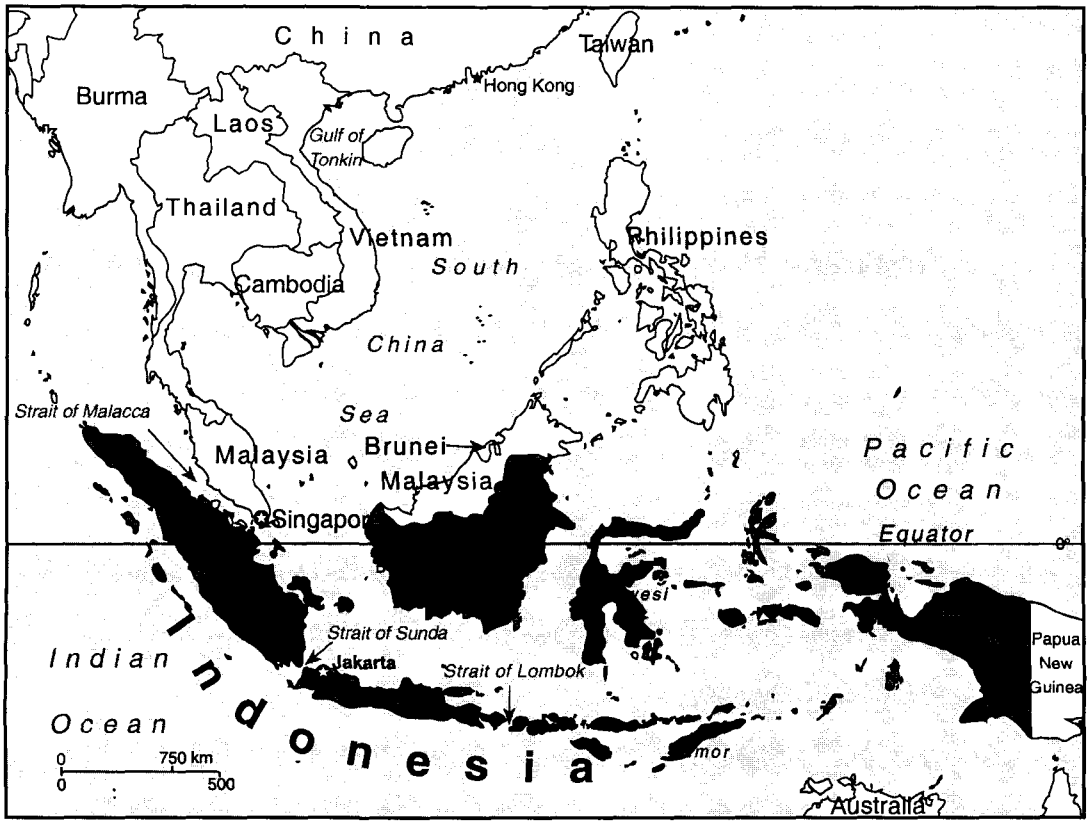
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

deep economic crisis and political flux, and another upsurge of separatist activity in East Timor now underway, there is a real possibility that the military's determination to keep East Timor as part of the Republic will dissipate, clearing the way for a separation. Ironically, while this would eliminate a major problem for Indonesia, it would be unlikely to bring calm to East Timor.

### . . . *And From Boom to Bust*

BETWEEN 1966 and 1996 Indonesia's economy grew on average by nearly 7 percent annually. In the first half of 1998 alone, its economy has contracted by an estimated 12 percent, which, according to the *Financial Times*, is the most dramatic economic contraction anywhere in the postwar era. Indonesia's economy is now a smoldering wreck. What went wrong? How could this be the fate of a country that was held up as a model by the World Bank?

Recently it has been suggested that the Word Bank was wrong to tout Indonesia as a model of success; that some dimensions of its economic "miracle" were in fact fake; that the Bank was guilty of knowingly endorsing inflated economic statistics to put Indonesia's record in a better light; and that its operations in Indonesia were afflicted with corruption (*Wall Street Journal*, July 14, 1998). There is certainly some truth to these and kindred claims. The World Bank was in an overly cozy relationship with Indonesia, there were real problems of corruption in Bank projects, some of the statistics were dubious, and some of the reporting was hyped. But the brouhaha about Bank operations, its internal contradictions, and the way in which it deals with its largest clients obscures what is, for present purposes, a much more important point: even allowing for some fudging of statistics (and where in the developing world has this not happened?), Indonesia made stunning economic progress on many fronts. No serious






LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

observer of the country would deny this. Of course there were always real problem areas—again, where in the developing world were there not?—but the larger truth is no less for this. Indeed, were this not to be the case, then what is happening in Indonesia today would not be universally regarded as an astonishing economic reversal.

Why then has Indonesia been so afflicted? Indonesia's currency collapse has little to do with the World Bank. Clearly it was swept up in the region-wide economic crisis that afflicted all of the open Asian economies. And there can be no doubt that Indonesia, like a number of other countries in the region, suffered from some notable areas of policy weakness. But there was no necessary economic reason that it should have suffered a reversal of fortunes so devastating. Fundamentally, Indonesia's problem was a sudden loss of confidence on the part of local and foreign investors which, as in Thailand and South Korea, was a function of investor calculations about the likelihood of the government of the day dealing effectively with the problems at hand. In short, once the crisis got underway, investors were making calculations about political circumstances as much as economic circumstances. Although Thailand, South Korea, and Indonesia all had serious political problems, Indonesia's became the most dysfunctional and the most corrosive to investor confidence.

It is worth recalling that things did not appear this way during the early months of the crisis. Where the Thai central bank spent an estimated $23 billion of reserves defending the exchange rate, hesitated in going to the IMF, and then had difficulty implementing the program negotiated, Indonesia behaved quite differently. Before the rupiah even came under serious speculative attack, the government moved to widen the band within which the currency traded as a pre-emptive measure. As the crisis intensified regionally, the authorities cut the rupiah completely free, drove up interest rates, scrapped foreign ownership limits on the stock exchange, reduced tariffs, and froze a range of high-cost infrastructure projects. In short, the Indonesian government moved quickly to contain the crisis, and won praise in the financial community for doing so.

In this, the government's response was in keeping with its response to past economic crises: swift, decisive, and effective action. Unlike his Thai counterpart, Chavalit Yongchaiyuth, Suharto was able to move so decisively because power within Indonesia's political system was highly centralized. But a political system of this sort also entails real economic risks, for if the leadership begins to behave in ways that are damaging to investor confidence, there are no institutional checks or balances to constrain it.

For many years investors found Indonesia attractive because of the high rates of return to be had there, the regime's track record of sound macroeconomic management, and the fact that they could always get their money out easily (Indonesia has had an open capital account since 1970). As 1998 began, however, these assurances were being swept away. In early December Suharto suffered a stroke, triggering serious doubt about his future and intensifying long-standing uncertainty about the process of political succession. There was a growing sense of doubt concerning Suharto's commitment to economic reform. With members of his family and other crony business associates making clear that they would not be subject to any unwelcome restructuring measures promised by the government, economic leadership appeared increasingly rudderless. Combined, these factors pushed the rupiah down very sharply through December. Then in early January of this year the government unveiled a budget that was widely interpreted as being out of touch with economic reality. Investors dumped the rupiah in a massive sell-off and panic set in among the urban middle class, with supermarkets being emptied of essential foodstuffs and supplies. At this point Suharto's economic credibility was terminally damaged.

What followed was the slow but inevitable slide of the regime toward destruction. With local and foreign investors no



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

longer willing to trust the government, there was no market demand to lift the currency, and with the currency at a small fraction of its former value (between 8,000-16,000 to the dollar compared to 2,500 prior to the crisis) it was merely a matter of time before the collapsing economy forced political change. This eventually came on May 21 when, after mounting student demonstrations, seriously destructive rioting and looting in Jakarta, and finally rapid elite defection, Suharto stepped down. The New Order was over.

An important question in Indonesia's economic disaster concerns the role of the IMF. An impressive array of people—ranging from leading mainstream economists through prominent economic revisionists, and on to nationalists and Muslim radicals of various sorts in Indonesia—argues that the IMF bears heavy responsibility for Indonesia's economic woes. The specific charges vary, but include: a narrow ideological insistence on a fiscally austere one-size-fits-all approach, a misguided focus on structural reform at the expense of greater attention to the debt problem or the exchange rate itself, an ill-advised requirement that sixteen weak banks be closed (which triggered a run on some other banks), and the claim that the IMF (presumably at Washington's behest) was really out to get Suharto and ensured his demise through very high-level leaks that jaundiced the market's reception of the January budget.

This is a diverse set of charges and opinions concerning their validity vary widely. But even admirers of the IMF would probably have to agree that its interventions in Indonesia from September 1997 through May 1998 were, at best, of uncertain benefit. But while these interventions did little to make things better, it is a mistake to lay the blame for Indonesia's economic catastrophe at the doorstep of the IMF. Like the World Bank, the IMF is given too much credit by both its enthusiasts and its tormentors. The real culprit was the Indonesian government's own awful mishandling of the crisis from late 1997 onwards, and this mishandling was ultimately rooted in the country's extraordinarily centralized political system. The same political system that had facilitated the decisive handling of early economic crises spelled disaster once the leader was perceived as unwilling or unable to provide effective economic leadership. Any sins of omission or commission by the IMF—and no doubt there are at least some—fade into the background compared to the devastating consequences for investor confidence of an unconstrained, aging, ailing, and increasingly erratic autocrat.

## *The Road Ahead*

IN SIMPLIFIED TERMS, Indonesia now faces two daunting and intertwined tasks: it must construct a new political framework that is workable, and it must stabilize and then rebuild its economy.

Because Suharto so dominated the old regime, his departure has removed the country's principal power referent. As a result, all the people in key positions today—President Habibie, armed forces commander Wiranto, and the various members of cabinet—are struggling to find their own political feet and develop their own power bases. All rose to influence on the basis of Suharto's support and all did his bidding; now they must reinvent themselves politically if they are to survive. To this end, Habibie has moved quickly to distance himself from Suharto's regime by lifting controls on the press, political parties, and labor unions. He has freed a range of political prisoners and promised to present a set of major political reforms for approval of the Peoples' Consultative Assembly by November 10, so that fresh and genuinely democratic elections can be held in 1999. Under the old New Order there was little room for genuinely independent social organizations. Now, suddenly, civil society is blossoming, with new organizations and movements popping up each day—ranging from political parties, through labor unions, to student action groups and voluntary associations to help Chinese and other victims of the loot-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing and raping that took place in the final days of the old regime.

Given the great flux in Indonesian politics, there is much that remains uncertain. Nonetheless, the broad outlines of what are likely to be the major political groupings in post-Suharto Indonesia are emerging. Four such groupings stand out. The first is modernist Islam, which has as its institutional focus the Muhammadiyah—a large and sprawling social welfare organization, estimated to have some twenty-eight million members. Its core base of support is among civil servants, professionals, and traders in urban centers. Politically, it stretches from hardcore puritan groups such as Dewan Dakwah, through pragmatists such as its current leader, Amien Rais, and the country's new president, Habibie, and on to liberal-leaning Islamic intellectuals like Nurcholish Madjid.

A second distinct political constituency is traditional Islam centering on the Nahdatul Ulama (NU). The NU is a large social and education movement (with an estimated thirty million supporters) built around traditional religious teachers. Where supporters of Muhammadiyah tend to be urban-based and better educated, the traditional stronghold of the NU has been in rural villages, particularly in East Java. Where the modernist wing of Indonesian Islam emphasizes piety, puritanism, and in the past was associated strongly with the push for an Islamic state, the traditional wing, especially under the leadership of the NU's wily Abdurahman Wahid, has emphasized tolerance, inclusion, and preservation of the status quo.

A third major political grouping is likely to be built around what might be termed secular nationalists. As with the two Islamic political clusters, this one has roots in the pre-Suharto era. Secular nationalism was the political vein tapped by Sukarno in the 1940s and 1950s, and today it is embodied in the leadership of his daughter, the opposition political figure Megawati Sukarnoputri. As with the two large Islamic political clusters, the party vehicle for Megawati to pursue this constituency remains to be determined. One possibility, widely mooted among liberals in Indonesia, is that Megawati might join forces with Abdurahman Wahid of the NU in a "Rainbow Coalition."

The final large constituency in the political life of the new Indonesia is likely to center on the former state political party, GOLKAR. It has been widely discredited in the wake of Suharto's fall and has been deserted by a number of its component parts. The armed forces leadership has declared publicly that it will draw back from GOLKAR and no longer bias the political environment in its favor. In spite of these setbacks, a number of professional politicians who are mostly secular Muslims with pro-reform orientations have been willing to work with and through Habibie in order to gain control of GOLKAR and turn it to their purposes. The most prominent figure in this group is Akbar Tandjung, the new chairman of GOLKAR, who also occupies the powerful position of state secretary in Habibie's cabinet. Although laboring under heavy stigma as a creature of the Suharto regime, GOLKAR has a number of factors in its favor. First, its members currently constitute a majority in both the House of Representatives and the Peoples' Consultative Assembly. Second, it has a well-developed party structure reaching down to the provincial, district, and village levels. Third, it will probably benefit financially from both the state enterprise sector and the many frightened Chinese Indonesian business people who have nowhere else to turn.

There are likely to be other political parties representing smaller constituencies such as radical Islamic groups, Christians, and labor. Critical to the fortunes of both major and aspiring minor political parties—and, more broadly, to the prospects of democratic politics in Indonesia—will be the political rules currently being drafted as part of the process of political reform promised by Habibie. To have any chance of success, the new institutional framework will need to satisfy three fundamental political needs.

First, it will need to respond effectively to



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the clear public rejection of the old authoritarian regime by providing for real checks on the presidency, greater accountability, and better representation. Second, however, it will need to satisfy the core interests of the military, which, although long in the shadow of Suharto, remains the most potent political force in Indonesia by a very long margin. The military leadership will want to see caution in the reform process, so that neither national stability nor its own political interests are jeopardized. In particular, it will want to ensure its own continued involvement in the governing of the country. Third, the new framework will also need to satisfy the interests of key politicians: Habibie and the GOLKAR leadership, Amien Rais, Abdurahman Wahid, and Megawati Sukarnoputri. All will want a system favorable to large parties. GOLKAR will be critical, for it still dominates the House and the Assembly and will thus control the approval of the new rules. However, if the three principal non-GOLKAR political leaders were united in opposing any proposed new framework, it would probably be stillborn.

As of mid-August, a remarkable level of tacit consensus seems to have evolved. Two official political reform working parties (one under the Interior Ministry, the other under the Justice Ministry) appear to have converged around a peculiar hybrid framework. The power of the presidency is to be circumscribed by a two-term limit and, more importantly, by enabling the legislature to function as a real institutional check by virtue of freeing the political parties from the various shackles imposed on them under the New Order. The electoral system will feature both single member districts decided on a plurality basis and nationwide seats decided on a proportional representation (PR) basis, but with a heavy weighting toward the former. If elections are indeed free, the tendency should be toward a few large parties dominating the legislature, though the small number of PR seats seems designed to provide some representation for minority constituencies. Under the mooted framework, the armed forces will be guaranteed 50 seats in the 500-seat legislature (down from 75 under the old system).

If the reform framework that goes to the Peoples' Assembly in November does indeed remain in this form, it will satisfy the three political requirements set out above. But its viability as an operational framework for government is another question entirely. While it seems likely that it would avoid producing the hopelessly fractionalized and extremely volatile multi-party politics that Indonesia experienced in the mid-1950s, there would still be real scope for division and logjams. Given that it seems unlikely that any one party will control the House, the legislative bargaining process between it and the president is likely to be difficult. Further complicating the situation is the fact that it appears the House may well have a real ability to vote the president out of office at any time (by virtue of its dominance of the Peoples' Assembly). Indeed, and labels notwithstanding, this system may function rather like the messy parliamentary framework Thailand had in place until very recently.

Assuming the military does not intervene in party politics, the machinery of government in Indonesia is going to operate in a manner very different from the past. There are likely to be both benefits and costs. On the positive side of the ledger, the political system will be more accountable and representative, as the president will now have to share power to a much greater extent with local representatives of the people. On the negative side, at least in the short term, this may promote political corruption and severely complicate the task of putting in place the sorts of major economic measures needed to restore investor confidence and rebuild the economy.

BEFORE TURNING TO the economic tasks that lie ahead, it is worth pausing to reflect on the increasingly Islamic character of politics in Indonesia as this may well generate misunderstanding in the United States. The Islamization of Indonesian politics is not just a function of B.J. Habibie being the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

country's first truly Muslim president, or of his key allies (such as the new GOLKAR chairman, Akbar Tandjung) also being committed Muslims, or of the fact that two of the three key "opposition" political leaders (Amien Rais and Abdurahman Wahid) also head very large Islamic social movements. This phenomenon runs much deeper. As scholars who study Islam in Indonesia have pointed out, the Islamization of Indonesian politics took hold roughly a decade ago. Under the controlled political environment of the New Order, this primarily manifested itself as a social trend toward increasing piety and calls for higher standards of public morality. But what will Islamization mean in the more open political environment that is now evolving?

The answer to this question goes back to the spectrum of Islamic thinking in Indonesia and the range of socio-religious currents contained within it. It is certainly true, for instance, that there are radical Islamic groups such as the Indonesian Institute for the Islamic World Solidarity (KISDI) and Dewan Dakwah that are associated with positions that would worry American elites: religious intolerance, an Islamic state for Indonesia, hostility toward the United States (and international institutions seen to be dominated by the United States), and hostility toward Israel. But these groups are no more representative of the political thinking of mainstream Muslims in Indonesia than are the hardest-edged groups on the religious right representative of the political thought of mainstream Christians in America. In short, radical Islam is but one segment (and a relatively small one at that) in a broad spectrum.

There is no clear consensus as to what an Islamic policy agenda for government (as distinct from one for opposition) should look like. Nevertheless, and at the risk of oversimplification, while there are major differences between Islamic leaders such as Amien Rais and Abdurahman Wahid, the reality is that neither favors an Islamic state, neither believes in Islamic banking or Islamic economics, and both (whether through conviction or political survival instincts) are working toward a more rather than less inclusive approach to religious diversity. And while there is clearly widespread popular resentment against Chinese Indonesians, both leaders have called for tolerance and understanding and have decried the awful violence directed against them during the riots. Though Amien Rais might flirt with the rhetoric of large-scale economic affirmative action along the lines of Malaysia's New Economic Policy to redress economic imbalances between indigenous Indonesians and Chinese Indonesians, the very different demographic realities of the two countries will ensure that this is never more than a marginal undertaking in Indonesia. In short, while the rhetoric and symbols emanating from Indonesian politics are likely to become increasingly Islamic, the tendency to view this is as inevitably a malign development should be resisted. Compared with many other parts of the Muslim world, the broad mainstream of Indonesian Islam is remarkably tolerant and progressive. It should be nurtured rather than feared and isolated.

THE TASK of building a new and viable political system of government is deeply intertwined with the task of stabilizing and rehabilitating the country's economy. Although a condition necessary for recovery—the departure of Suharto—has been achieved, the challenge remains staggering. If anything, the economy has actually deteriorated since Habibie took power (though this in part reflects the negative impact of the malaise in Japan). The most urgent economic tasks ahead are reasonably clear. At the most basic level, the government must maintain affordable supplies of rice and other household essentials if there is not to be a resurgence of mass rioting and serious starvation problems. At present rice supplies are being maintained, but only on the basis of IMF subsidies, with the price of rice in Indonesia at the time of writing being about half the price on world markets. Without a major currency appreciation, this situation is unlikely to be sustainable for more than a few months.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Second, the banking system must be recapitalized. At present there is systemic insolvency in the Indonesian banking sector. This will require major institutional reform. Until decrepit banks are closed or merged and otherwise viable banks helped to restructure, commercial lending cannot resume.

Third is the closely related issue of resolving private foreign debt. An estimated $60 billion is owed to foreign lenders by firms other than banks. The fact that so much of the debt is held by a wide array of large and medium-sized Indonesian companies has greatly complicated the task of restructuring the debt. A broad framework for negotiations between lenders and borrowers has been reached (the so-called Frankfurt agreement), though for practical purposes it remains largely irrelevant because the exchange rate is still so far from a level at which firms could begin to think of making repayments. Further, on both sides there is a waiting game still in play: Indonesian borrowers are sitting tight in the hope that their debts may be largely or even completely written off, and foreign banks are unwilling to begin heavy discounting of loans until they are sure there is no prospect of a better outcome. And so the issue remains frozen. But there is a very destructive dynamic here: the longer the debt issue remains unresolved the longer the economy will remain in limbo, as firms will not be able to attract the new foreign lending necessary to help revive the economy.

Fourth and most conspicuously, the government needs to find a way to get the exchange rate back up to a level at which international transactions again become viable. This seems likely to require clear progress on all of the preceding issues, plus striking a judicious balance between satisfying the IMF's monetary and fiscal targets on the one hand, and not stifling commercial activity on the other. Finally, in addition to these macroeconomic imperatives, it will also be necessary for the government to take effective measures to address the sheer political anxiety of Chinese Indonesians, who make up the bulk of the country's entrepreneurial community. The anti-Chinese looting and violence of May, the rise of political Islam, and the fear that more democratic politics will be bad for Chinese Indonesians—all these factors combine to encourage them to leave their liquid financial assets offshore. Chinese Indonesians will want to bring their assets back—Indonesia is after all their homeland—but the government will have to work to rebuild their trust and confidence.

All policy options available to the Indonesian government are heavily constrained. To give but one illustration: the budget deficit (made up in large measure of essential food subsidies) is now projected to reach about 9 percent of GDP, which roughly translates to about $12 billion. This will have to be financed almost entirely with international assistance. In recent years the consortium of donors that has supported Indonesia has provided around $5-6 billion. The likelihood of this figure being doubled seems very low. Given that there is no functioning domestic bond market, the only alternative would be for the government to print money—thereby placing itself in breach of the IMF's requirements.

How will Indonesia's economic crisis be stabilized? The most likely scenario (though not the only one) is that the economy will continue to slide until it hits rock bottom—something which cannot now be far off. At that point, when there is no longer any advantage to waiting, foreign lenders and large Indonesian corporations (which still have a reputation worth preserving) or firms in a particularly profitable area of trade will come to some heavily discounted repayment arrangement, while lesser firms will simply disappear and have their debts written off. As this happens lending will be able to begin again, though the economic and social cost of reaching this new economic equilibrium will be very high.

## *U.S. Interests and Options*

INDONESIA will come back from this economic crisis. But if it is left to drift without assistance the hardship and dislocation will be very much greater and the process



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

will be an extended one. There are two key areas in which the United States could, in principle, be of major assistance. First, in the short term it could provide generous emergency aid to help with basic human needs such as food, household fuels, and medicines. There has been some assistance of this sort already, but with the exchange rate falling still lower such emergency relief will continue to be needed for some time yet. Second, Washington could use its global leadership to facilitate a speedy resolution on the corporate debt issue. This problem must be overcome before the economy can improve. The United States played a pivotal role in negotiations on Korean bank debt, but has been little involved in the very much more messy Indonesian debt problem. Things have now reached a point at which the U.S. Treasury might be able to persuade foreign banks to cut their losses and make a deal sooner rather than later. Clearly this would involve major losses for those banks—but this now seems unavoidable anyway, making it largely an issue of timing. Further, given that most of the corporate debt in Indonesia is held by Japanese and European banks, the burden falling on U.S. banks would be relatively small. Beyond these concrete economic measures, what Indonesia will need most over the next few years is sympathetic understanding and support, as it grapples with what are essentially internal problems.

Why should the United States pay serious attention to Indonesia's plight and consider taking serious steps to help it? After all, Indonesia does not pose any obvious or dire threat to America. It does not have nuclear weapons pointed this way, it is not a large holder of U.S. Treasury bonds, it does not pose a frightening immigration threat on America's doorstep, and it does not have an electorally active domestic lobby in the United States ready to mobilize on its behalf.

Despite the absence of some of these classic ingredients for winning U.S. attention and support, there are strong reasons why Washington should look very seriously at coming to Indonesia's aid in a more vigorous fashion than it has to date. One is strategic. Over the past several decades, Indonesia has basically been a "good news" story as far as U.S. foreign policy calculations are concerned, and accordingly it has received little attention. This will change, however, if Indonesia is in serious distress for a sustained period. Arguing the strategic significance of any particular place is hard in the abstract, but if the concern and efforts of countries as diverse as Japan, Singapore, and Australia are anything to go by, Indonesia's woes are not to be taken lightly. The longer economic recovery takes, the greater the likelihood of serious political instability and a return to military-based government. There are powerful demographic considerations at work here. Prior to the economic crash, it was estimated that Indonesia needed an economic growth rate of 5-6 percent annually just to generate enough jobs for the hundreds of thousands of new entrants to the labor force. Such a growth rate is now but a distant dream, but the problem remains. Although it is not being openly discussed today, no one should discount the possibility that in one to two years Indonesia's political situation could become very ugly indeed if the economic scenarios at the bleak end of the spectrum come to pass.

The implications of Indonesia's internal problems go well beyond its boundaries. If Indonesia is in serious distress, the Association of Southeast Asian Nations (ASEAN) is likely to become a lame institution, since Indonesia is pivotal to the region. This would entail real costs for U.S. foreign policy. While members of ASEAN still only account for a modest share of the world's GDP and military power, acting collectively they have managed to punch well above their weight in world affairs in recent decades. Not only did ASEAN help to bring stability to a region that had previously been one of the most volatile and violent in the world, but it was within its framework that the region prospered in a way that no other developing region had ever before—or since. By the 1990s all the major powers of the world found it an organization worth courting assiduously.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Despite its limitations and self-important rhetoric, ASEAN has been central to the evolving multilateral framework for economic and security cooperation via institutions such as APEC and the ASEAN Regional Forum. More broadly, ASEAN has the potential of providing a useful counterpoint to China in the region.

A second argument for generous U.S. support to Indonesia is more commercial: prior to the economic crash, U.S. firms were making good money selling goods to Indonesia and investing there. Much of that has now dried up. The sooner the country is back on its feet again, the sooner will it reopen for business with U.S. firms. Given that Indonesia's problems are likely to affect Singapore, Malaysia, and Australia as well, U.S. commercial interests in those countries are likely also to suffer the longer Indonesia remains in trouble.

Finally, there is an unavoidable normative dimension to the whole drama. Suharto's Indonesia was not the former Soviet Union, with an economic system grinding toward an inevitable breakdown. Prior to the crash, it was doing most things "right", at least according to the cannons of development economics. True, there were some areas of real policy weakness, and its political life had some unattractive features; but as these things go, Indonesia looked very impressive. It was making truly remarkable progress with all sorts of welfare indicators. Even if poverty reduction was exaggerated by World Bank data, the number of people thrown back into poverty has suddenly escalated very dramatically, perhaps to as many as half the population. This is a staggering and undeserved tragedy.

To date, the United States has been remarkably unforthcoming in support for Indonesia. Overwhelmingly, financial assistance has come from countries on the western side of the Pacific. And this is in keeping with recent history, for although the United States was a crucial donor to Indonesia in the late 1960s and 1970s—when the Cold War was still a going concern—for some time now it has been only a peripheral player. Since the onset of the crisis, Japan and Singapore have been the most generous providers of assistance, and in per capita terms the United States lags well behind Australia and Malaysia.

Interestingly, there is remarkably little expectation in Indonesia (or elsewhere in the region) that this is about to change. There is an irony here that is not lost on Indonesia, or other Western Pacific countries. For even though the United States enjoys unparalleled influence globally, is riding on the back of a long economic boom, and has been quick to proffer policy prescriptions, few in Indonesia or elsewhere in the region hold out much hope that the United States will do significantly more to help. It may be that this is as things should be, with neighboring or regional countries looking after their own. But Washington should not delude itself as to the longer term foreign policy consequences of being "absent" during Indonesia's hour of need. □

## *Up-Market Panic*

By the end of the two-day panic in Jakarta every single one of the 200 BMWs in city showrooms had been sold. . . . As the economic crisis deepens, Indonesia's rich are coping with a style all their own. Fancy clubs and restaurants are still crowded. Golf courses are still busy. Sleek men and women clutching tiny burbling cellular telephones still crowd the lobbies of the city's luxury hotels. . . .

The wealthy seem to be aware that their behavior could cause some resentment. Many tycoons and well-paid celebrities have joined the government's patriotic 'I Love the Rupiah' campaign, in which those with U.S. dollars are encouraged to exchange them for the local currency, theoretically supporting its value. . . .

Less privileged Indonesians do not seem impressed. 'I've loved the rupiah all my life', says Komarudin, 57, an unemployed taxi driver who lives in the shadow of a shiny Jakarta bank tower. 'It's just that I've never had enough of them. As for U.S. dollars, I've never even seen one.'

—Marcus Gee, *Globe and Mail* (Toronto), February 5, 1998



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Embassies at Risk

Smith Hempstone

THE LAST CRUSHED bodies had scarcely been extricated from the car-bombed carnage of the American embassies in Dar es-Salaam and Nairobi when the cry went up to harden security at 280 U.S. diplomatic posts around the world, turning them into isolated bomb-proof fortresses impervious to terrorist attack.

Leading the first wave of the rhetorical charge, before the bodies of the American dead had reached these shores, were Secretary of State Madeleine K. Albright, Secretary of Defense William S. Cohen, and Bobby R. Inman, a retired admiral who was deputy director of the Central Intelligence Agency under President Ronald Reagan.

After the American embassy in Beirut was car-bombed in 1983, killing sixteen people, Reagan named Inman to head a panel to recommend construction changes that would make U.S. diplomatic posts safer. The Inman Report, published in 1985, called for the hardening of embassies at a cost of $3.5 billion. But between 1986 and 1990, the State Department requested only $2.7 billion to enhance the security of its buildings, and less than a third of that—$880 million—was appropriated by Congress.

Resuscitating the Inman Report, which is basically what the security mongers want, is a bad idea. It would be expensive—probably costing $5 billion today—ineffective, and, in some cases, counterproductive.

The East African blasts of August 7 were powerful enough to kill over two hundred and fifty people and injure about five thousand others. Although U.S. Ambassador to Kenya Prudence Bushnell was slightly injured by flying glass, the great majority of the dead, wounded, and missing were Kenyans crowding the sidewalks or working in adjacent office buildings. Only thirty-five of the dead were within the embassies. More to the point, perhaps, as Undersecretary of State Thomas R. Pickering put it, "There is no such thing as a bomb-proof building." Its "proof" is directly related to the size of the bomb.

The embassies in Tanzania and Kenya were built before the Inman Report was issued, and neither meets its specifications. The two principal recommendations of the report were that embassies should be surrounded by nine-foot walls, creating a "Fort Apache" school of diplomatic architecture, and that the buildings should be set back from the walls by at least one hundred feet. The latter provision would mean in many cases moving chanceries from downtown to the remote suburbs.

While both East African embassies had nine-foot walls, the set-back in Nairobi was thirty feet and that in Dar es-Salaam (Arabic for "Haven of Peace") was only twenty-five. The Israelis, not the least security-minded of people, constructed the latter building in 1954 and considered it safe enough to use as their

Smith Hempstone, ambassador to Kenya during 1989-93, is author of *Rogue Ambassador: An African Memoir* (University of the South Press, 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

chancery until Tanzania broke relations with Israel after the 1973 Arab-Israeli war.

From 1996 through fiscal 1999, Congress has appropriated only $112 million to enhance embassy security, with only a few hundred thousand dollars earmarked for Dar es-Salaam and Nairobi, both of which had been classified as low-risk posts.

As ambassador to Kenya, I did not quarrel with that classification, and I do not do so now. Nor, to the best of my knowledge, did any of my predecessors or successors—with the exception of the current ambassador, Prudence Bushnell, who objected strongly to the security status of the building. In the thirty-five years since independence, neither East African post had suffered a terrorist attack, and attacks on individual Americans had been few and far between.

Most of the Inman money went, as it should have, to the far more dangerous embassies in the Islamic world, such as Kuwait. None of these state-of-the-art security measures, it should be noted, made the slightest difference when Somali gunmen came over the wall of the sprawling, brand-new, multimillion-dollar U.S. embassy in Mogadishu in 1990.

Given the paucity of the funds available and the dangerous situation elsewhere in the world, our security measures with respect to the Nairobi embassy were reasonable, if not in retrospect adequate. The building, on the busy corner of Moi and Haile Selassie Avenues, had only two entrances (good, because we had only ten Marines to guard them on a 24-hour basis). The back door, near which the car-bomb exploded, led to the garage, was of steel, and had "tank traps" to prevent an unauthorized vehicle from entering. To gain admittance by the front door, visitors had to produce identification to two armed Marines shielded by bullet-proof glass, go through a metal detector, and submit to a body search if required. Within the embassy, which had five floors above ground, visitors wore a pass and were accompanied at all times by an embassy officer. The system worked, as an irate ambassador from a friendly Arab country (Morocco) discovered in 1990 when he tried to call on me with a pistol in his coat pocket.

U.S. relations with the government of Kenya were cool but correct, and the people of Kenya were very much on our side. I could and did wander through Nairobi's slums without a bodyguard or fear of violence. Coordinating efforts to guard against Arab or Muslim terrorism was no problem either—President Daniel arap Moi nurtured an almost pathological dislike and fear of Arabs.

On the deficit side of the equation Kenya's (and Tanzania's) borders were porous, there were Arab embassies in Nairobi that might be prepared to put their sacrosanct diplomatic pouches at the service of terrorists, and corruption was so prevalent that it might not be too difficult to bribe a customs officer to turn a blind eye to bomb parts. The local Muslim population was sufficiently disaffected by Moi's heavy-handed rule to harbor at least a handful of Islamic fundamentalists willing to give Arab terrorists aid and comfort.

BUT BEYOND THIS business of walls, set-backs, and barbed wire lies a philosophical question: What kind of nation are we? Has America like Rome in its declining decades become a garrison state? What is the point of our diplomacy? While the safety of U.S. personnel is an obvious concern for us, is it our primary consideration?

The answers to these questions are, it seems to me, obvious. Neither blue jeans nor Coca-Cola are our principal exports. What we are selling are democracy and freedom, transparency and decency, self-help and self-respect. These are our core values, what we have to offer, and we cannot hope to promote them by hunkering down in suburban bunkers far from the common people of the land.

The objectives of U.S. missions abroad have to be to promote close and cordial relations with the people, to shore up democratic institutions, to encourage the constituency for democracy where one exists, to strengthen



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

our ties with host governments, to protect American investors, and to promote trade with the United States. If any truth is self-evident, it is that we were called to be witnesses for freedom.

Clearly we have an obligation to look to the security of our people, but if we create a bunker mentality, locking ourselves away behind high walls in the suburbs, we would be safe but would soon become irrelevant. We have to show courage and staying power if we are to remain players in the game. If there is to be one, the American *raj* has to be one of free men and democratic nations.

When I was ambassador, I regarded my State Department officers in Nairobi as my Jesuits, just as much soldiers in the cause of democracy as my Marines. I think most young State Department officers understood, accepted, and gloried in that. Those who did not were at liberty to ask for a transfer from Nairobi during my watch; few did.

THERE ARE a number of small and relatively inexpensive steps that can and should be taken to make our embassies safer. Window glass could be hardened with plastic coating to inhibit sharding. More Marines would help. On-street parking should be prohibited near our diplomatic post. Better surveillance by local police and counterintelligence operatives should be sought.

Most importantly, terrorism has to be attacked at its source, made more costly for the killers involved in it. President Clinton has pledged to pursue and bring to justice those involved in the East African bombings "no matter what or how long it takes." But the record shows that it takes a very long time and almost never happens. Those terrorists arrested, tried, and convicted over the past fifteen years, during which time hundreds of Americans have lost their lives, can be counted on the fingers of one hand. To improve on this sorry record will not be easy—most terrorist organizations have friends in high government positions where these acts are committed—but it must be done. The August 20 attacks on terrorist camps and facilities in Afghanistan and Sudan were a good, if belated, start.

We need better information from the CIA on the identities, movements, and intentions of terrorists. This sort of information can be obtained, but it costs money and lives. Both are going to have to be spent.

Americans are and will remain the targets of choice for terrorists. This is because America is the one remaining superpower and the last best hope of the world. As President Clinton said while the moans of those still trapped in the debris of our East African embassies could be heard, "To pull back our diplomats and troops from the world's trouble spots, to turn our backs on those taking risks for peace . . . would give terrorism a victory it must not and will not have." Amen to that. □

*Special reprint*

**THE END OF HISTORY?**

by Francis Fukuyama

This 55-page reprint includes the original "End of History?" debate in its entirety—the famous article, eight various responses, and Fukuyama's reply to his critics. It may be ordered by sending $7.00 (check or money order, no credit cards please) to:
The National Interest, 1112 16th Street, NW #540, Washington, DC 20036
tel. (202) 467-4884 fax (202) 467-0006



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Asia Tomorrow, Gray and Male

Nicholas Eberstadt

CERTAIN KINDS of developments, though rife with consequence for economics, politics, and strategy, are intrinsically difficult to anticipate. Wars, revolutions, and economic panics are typical cases in point. Yet there are also important sorts of developments that are less subject to historical caprice or political calculation, more likely to unfold in a regular manner over a relatively long time, and thus inherently easier to envision in advance. Population change is one of these.

Barring the contingency of utter catastrophe, we can already estimate, often in surprising detail, what lies in store for East Asia in demographic terms over the next fifteen to twenty years.[1] Such projections point to a number of new and unfamiliar conditions for the region—each of which could have sweeping ramifications. One involves the ratio of young to elderly in a population, a factor that necessarily influences pension burdens, savings rates, and hence general economic conditions. Another concerns manpower availability, which also affects economic potential and thus, ultimately, national power. A third—imbalanced sex ratios—can portend social tension and, possibly, political trouble. While the social and economic implications of demographic facts are harder to discern than the facts themselves, some conclusions may be reached with a reasonably high level of confidence. Taken together, these implications in turn form a significant element of the context in which political and strategic dynamics will play out.

Nicholas Eberstadt is a researcher with the American Enterprise Institute and the Harvard Center for Population and Development Studies. This essay draws upon a forthcoming study in a volume on Asia's future, edited by Karl Jackson.

## *Knowing the Numbers*

EAST ASIA'S population today stands at roughly 2 billion people, accounting for about a third of the world's population. Approximately 1.5 billion of those 2 billion reside in Northeast Asia (that is, mainland China, Taiwan, Japan, and Korea), the other half billion in Southeast Asia (that is, the countries between Burma to the west and Vietnam and the Philippines to the east). East Asia also contains three of the eight most populous states in the world today—China, number one with about 1.25 billion inhabitants; Indonesia, number four with about 200 million; and Japan, number eight with about 125 million—as well as five other states with over 40 million people.

To a considerable degree, East Asia's population profile between now and the year 2015 has been set already by past mortality and fertility trends. Despite a series of region-

[1] "East Asia" here refers to the land mass and islands demarcated by the Indian subcontinent, the ex-Soviet Central Asian Republics, and the Russian Far East.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

al paroxysms that claimed millions of lives in the post-World War II era—the Korean and Vietnam Wars, China's Great Leap Forward, Indonesia's post-Sukarno convulsions, and Cambodia's Khmer Rouge period, among others—average life expectancy at birth for East Asia as a whole is believed to have jumped from a bit over 40 to almost 70 between the early 1950s and the late 1990s. In both Northeast and Southeast Asia, the tempo of mortality decline has exceeded the world average for almost half a century. Only in Burma, Cambodia, East Timor, and Laos do life expectancies rank below the mean for contemporary developing regions as a whole.

Like mortality, fertility has also fallen dramatically. In the late 1950s, only Japan reported a total fertility rate (births per woman per lifetime) that, if maintained, would have resulted in long-term population stabilization. Elsewhere in East Asia, the average woman was typically bearing five to seven children. By the late 1990s, however, fertility levels appear to have dropped roughly to the replacement level for East Asia as a whole, a breathtaking transformation of childbearing patterns in just four decades. Apart from Mongolia and possibly the still-mysterious Democratic People's Republic of Korea (DPRK), sub-replacement fertility is today characteristic of every Northeast Asian locale—including China, where fertility rates are lower than those in the United States. In Southeast Asia, too, fertility levels have dropped by over half since the late 1950s, with most of the decline having taken place in the past twenty years. In Singapore and Thailand, fertility levels are well below replacement; in Indonesia and Vietnam levels are rapidly falling toward replacement.

East Asia's population trends between now and the year 2015 will also be shaped by the intervening trajectories for mortality and fertility (migration plays only a marginal role in the region's current population dynamics). Those trajectories, of course, remain a matter of conjecture—although usually fertility rates are harder to guess at than mortality rates, depending as they do upon such unknowable, and possibly fickle, qualities as future parental preferences. Yet those imponderables notwithstanding, the various fertility estimates now contemplated for East Asia do not substantially alter the region's demographic profile for the year 2015. If the UN Population Division's current "medium" scenario proves accurate, for example, East Asia's population will rise to about 2.25 billion in 2015—roughly a 13 percent increase.[2] The high variant implies about 18 percent growth, the low variant about 8 percent—but in the great scheme of things, these are not dramatic differences. More to the point, virtually everyone who will be in the East Asian labor force, marriage pool, or retirement population in the year 2015 *is already alive today*—and demographic techniques permit us to estimate their numbers two decades hence with fair precision. We can therefore talk today with reasonable confidence about East Asia's coming demographic situation, and its coming demographic problems.

## *The End of "Unprecedented Growth"*

IN THE GENERATION just past, demographic specialists and informed non-specialists alike spoke of the "unprecedented growth" in human numbers in East Asia. To many observers, East Asia's population explosion evoked images of a host of Malthusian dangers: unending food shortages, mounting poverty, labor markets and cities overburdened by new, discontented job-seekers, and increasingly fragile governments confronted by ever deeper domestic problems.

As we now know, this grim presentiment was far off the mark. Despite rapid population growth, East Asian economies grew robustly, and regional political stability gradually increased rather than diminished. Population growth will continue in East Asia in the decades immediately ahead, but at far slower rates. For East Asia as a whole, the UN Population Division's "medium variant" pro-

[2] UN, *World Population Prospects: The 1996 Revision* (New York: UN, 1998).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

jections contemplate average annual increases of about 0.8 percent between 1995 and 2015. (That compares with an estimated 1.6 percent annual rate of natural increase in 1975-95, and 2.1 percent a year in the 1955-75 period.) In absolute terms, this would mean an increase of 350 million in the 1995-2015 period—a large number, to be sure, but distinctly less than the estimated 490 million increment of 1975-95 or the 480 million increase of 1955-75. In Southeast Asia, current "high variant" projections would make for absolute population increases slightly greater than those recorded in the 1980s and 1990s. Even those high variant projections, however, imply a slower growth rate than any recorded for the area since 1945. For East Asia, all projections point to smaller annual absolute additions to the area's population after 2010 than those experienced in the 1960s; some variants indicate smaller increments than those of the early 1950s.

The dramatic slowdown in anticipated demographic growth is the direct consequence of the broad movement toward replacement or sub-replacement fertility rates in the region's major population centers. Prolonged sub-replacement fertility could in fact bring some East Asian countries to the point of zero population growth, or even population decline, by the year 2015. *All* projections, for example, suggest that Japan's population will shrink after the year 2010. Under the low set of fertility assumptions, too, population growth would virtually cease by 2015 in both Thailand and the Republic of Korea. Under comparable assumptions, population decline for Northeast Asia as a whole would commence around 2020.

East Asian radical fertility declines beg the question of causation. Demographers, unfortunately, are able to offer precious few explanations that are neither trivial nor riddled with important exceptions. To be sure: mass education, rapid urbanization, income growth, and anti-natal population programs are among the many factors often mentioned in fertility decline for East Asia and elsewhere. But for now it is impossible to offer any reliable quantitative estimates of the impact on fertility decline of these diverse possible influences. Lacking a workable general theory for fertility change, demography is also consequently unable to predict fertility trends with any accuracy over the long run.

We do know, however, that future population issues in Asia will differ from those of the Cold War era in fundamental respects. For the region as a whole, accommodating burgeoning human numbers will no longer be the pressing concern. But a host of new demographic concerns loom on East Asia's horizon. Three of the most important are rapid population aging, declining manpower availability, and unnaturally imbalanced sex ratios.

## *The Graying of East Asia*

EAST ASIA'S revolution in life expectancy, in conjunction with its transition toward replacement or even sub-replacement fertility levels, has set the stage for a dramatic process of population aging. In many countries, the aging of populations will proceed very swiftly, demographically speaking. The "graying" of East Asia is sure to have major social and economic ramifications; it may have political repercussions as well.

As recently as the early 1980s, nearly all of East Asia's populations were young: the median age for both Northeast and Southeast Asia stood in the low twenties or high teens. At that time, persons 65 years and older accounted for just over 5 percent of the total population. As recently as 1985, children under 15 outnumbered persons 65 and older by five to one in Northeast Asia, and by over ten to one in Southeast Asia.

Things will be very different in 2015. By then, for example, the median age in Northeast Asia will be about 37—several years older than the current American level, and similar to levels in today's "gray" northern Europe. Though population growth rates throughout East Asia will be slowing over the next two decades, the pace of growth for each



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

country's elderly age groups will be accelerating. Thus, the share of the older groups will increase, and the ratio of children to older persons will fall. In 2015, Southeast Asia will have not ten children under the age of 15 for every person 65 or older—as is now the case—but only four; and Northeast Asia will have fewer than two.

Regional averages, however, obscure the disparate impact that aging will have on local populations. Some East Asian countries will remain youthful: for example, in 2015 the median age in the Philippines will be about 26, and in Cambodia under 25. Estimated median ages in Thailand (about 35) and China (36) will be comparable to those in today's graying OECD countries. Other East Asian locales, however, will contain populations *grayer than any yet witnessed in human history*. Barring radically changed migration trends, for example, Singapore's median age in 2015 will be about 41, Hong Kong's 44, and Japan's nearly 45. The United Nations defines an aging society as one in which 7 percent or more of the population is 65 or older. In 2015, that age grouping is likely to account for about 8-9 percent of the population in Thailand and China, about 10 percent in South Korea, over 11 percent in Taiwan, around 15 percent in Hong Kong, and an amazing 24 percent in Japan.

Due to the magnitude of their sudden longevity explosions and the precipitous nature of their fertility declines, many parts of East Asia will also experience a much more rapid process of population aging in the decades ahead than was recorded in developed regions in the recent past. It took forty years (1955-95) for the median age of the world's predominantly European "more developed regions" to rise from 28 to 36; Northeast Asia will make the same transition in less than twenty years (1995-2015), and some of its countries will grow old even more rapidly. And although Southeast Asia will stay relatively youthful in 2015, given an anticipated median age of about 28, that median age will jump nearly five years between the turn of the coming century and 2015; in those fifteen years, Southeast Asia will age as much, in absolute terms, as the more developed regions did in thirty (1955-85). East Asian societies and governments thus have less time than their industrial European predecessors to prepare for the challenges that aging will inevitably pose.

What challenges? Rapid population aging will have profound social and economic consequences. From Singapore to Northeast Asia, for example, the neo-Confucian social order will be tested by a proliferation of the elderly and, presumably, a vast concomitant increase in the number of infirm and aged dependents.

For thousands of years an East Asian tradition that venerates age and emphasizes the hierarchical obligations of children to their parents was reinforced by prevailing demographic trends—that is to say, very old people were rare and children were plentiful. By 2015, however, in Japan, Hong Kong, and possibly Singapore, grandparents will outnumber their grandchildren. In many other places (China, Taiwan, Thailand, Korea), that momentous generational reversal will be fast approaching.

In a high-tech twenty-first century, furthermore, the ancient Confucian presumption that the elderly should be honored for the special knowledge and wisdom they possess will surely look distinctly less self-evident than in earlier days. And peoples long inculcated in the virtues of filial piety may have an especially difficult time coping with the prospect of huge inter-generational resource transfers, as parents and other older relatives emerge as pervasive, and possibly major, financial burdens upon the able-bodied.

In particular, rapid population aging heralds the advent of truly imposing pension obligations. The most extreme squeeze will be felt in Japan. By 2015, for every Japanese 65 or older there will only be 2.5 people of "working age" (15-64)—and not all of those will actually be working. The budgetary implications of such a metamorphosis are arresting. In the United States, the unfunded



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

liabilities of the social security system are enormous; yet Japan's relative liabilities are already over three times greater, amounting today to an estimated 70 percent of current GDP.[3] On this budgetary path, Japan's net public debt burden would rise from the 11 percent of GDP recorded in 1995—one of the OECD's lowest—to a projected 102 percent of GDP in 2015—which would be very nearly the OECD's projected highest. (By way of comparison, America's level of net public debt, widely regarded as disturbingly high, will amount to a bit under 50 percent of GDP in the year 2000.) If Japan's elderly are to enjoy in 2015 the paid retirement they are promised today, the nation will have to manage a much higher burden of debt and taxes than it copes with now. Indeed, to maintain solvency on its current outlay path, the Japanese national pension system would have to raise pension taxes on basic wages from an already high 17.4 percent level to a staggering 34 percent by 2025.[4] And none of these pension calculations takes into account the implications of financing health or home care for a more aged citizenry. Contemplating this prospect, one is tempted to invert Churchill: never before will so few have owed so much to so many.

Yet however ominous its impending fiscal burdens may appear, Japan is already an affluent country with an established system of universal retirement benefits. Apart from Hong Kong, no other East Asian locale can be similarly described.[5] Thus, the combination of relatively low levels of per capita income, incomplete pension coverage, and rapid population aging promises to produce economic and social troubles throughout the region.

China's prospective pension problem deserves special attention. By 2015, upwards of 120 million Chinese will be 65 or older, their numbers growing by roughly 7 percent (about 9 million persons) each year. Despite recent economic advances, China remains a low-income country afflicted by widespread poverty. According to World Bank estimates, China's real purchasing-power adjusted level of per capita output is lower than Sri Lanka's, and its distribution of income is less equal. Under any plausible pace of intervening material advance, hundreds of millions of Chinese will still live in crushing poverty in the year 2015. As one Chinese writer has observed, "Whereas the now-developed countries first [got] rich and then [got] old, China will first get old."[6]

China still lacks any comprehensive official mechanism to provide for the needs of its oldest and most impoverished senior citizens. While China does manage several separate public pension schemes, nearly all of them are actuarially unsound. Worse, they cover only a small minority of China's populace—and generally skirt the remote, rural regions that constitute the heartland of China's poverty problem.[7] How China will deal with this huge,

---

[3]OECD, *Ageing in OECD Countries: A Critical Policy Challenge* (Paris: OECD, 1996), pp. 36, 83-4. Calculations are for 1994.

[4]Kyodo News Service, December 5, 1995 (in English); reprinted in U.S. Foreign Broadcast Information Service (FBIS) as "Japan: Government Unveils Specific Options for Pension Reform", FBIS-EAS-97-339, December 5, 1997. See also Milton Ezrati, "Japan's Aging Economics", *Foreign Affairs* (May/June 1997); and David Hale, "Is Asia's High Growth Era Over?" *The National Interest* (Spring 1997).

[5]For information on East Asian pension and old age programs, see U.S. Social Security Administration, Office of Research, Evaluation and Statistics, *Social Security Programs Throughout the World, 1997* (Washington, DC: U.S. Government Printing Office, 1997).

[6]Lin Ying, "The Aging of the Population: A Severe Challenge", *Guangming Ribao*, April 6, 1996; translated as "PRC: Worsening Problem of Population Aging", FBIS-CHI-96-213, April 11, 1996.

[7]For details, see Barry Friedman et al., "How Can China Provide Income Security for its Rapidly Aging Population?", *World Bank Policy Research Working Paper no. 1674* (October 1996); and Loraine A. West, "Pension Reform in China: Preparing for the Future", *Journal of Development Studies* (forthcoming).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rapidly growing, vulnerable, and currently unprotected sub-population is a grave, and as yet unanswered, question.

Rapid aging in East Asia is not only certain to create or exacerbate domestic tensions, but may also have far-reaching international consequences. Some recent studies have suggested that East Asia's remarkable savings boom during the past generation depended in part on demographic forces: rapid fertility declines among still-youthful populations permitted massive accumulations of surplus that fueled local engines of growth (which in turn helped transform the international economy as a whole).[8] Conversely, some OECD modeling exercises indicate that, other things being equal, aging could drive down Japan's national savings rate by 8 or 9 percentage points between the turn of the century and the year 2030.

Demographic trends, of course, are not the only influence on a phenomenon as complex as national savings behavior, but they can be a big factor. In East Asia population trends will exert downward pressure on savings levels in coming decades, and the implications could be profound. By definition, a country's volume of savings equals domestic investment plus its international current account balance. If savings fall significantly and investment does not, a country can lurch from being a net exporter of capital to a net importer (as the United States did in the 1980s). As fate would have it, East Asia's two major economies—Japan and China—are both net exporters of capital today; both will face increasingly heavy demographic pressures on their savings rates in the years immediately ahead. Crude calculations illustrate the potential magnitude of the forces at play. Against current Japanese GDP, the OECD model's hypothetical 8 percentage point drop in the Japanese savings rate would make for about a $400 billion shift in domestic investment fund availability. But Japan's current account balance averaged just over an estimated $100 billion a year between 1991-96.

Do demographic trends therefore portend an inexorable reversal in Japanese and Chinese international capital positions, and increasing demands upon world capital markets by other aging East Asian populations? Not necessarily. Slower population growth might simultaneously reduce the demand for domestic investment. Some economists believe that demographic forces will depress East Asia's investment rates faster than its savings rates, thus *freeing up* capital funds for the rest of the world.[9] This, however, remains a point of speculation. But all observers agree on two things: that absent macroeconomic policy changes and other domestic adjustments, rapid population aging in East Asia will have a major impact on international capital markets; and that such an impact could affect global interest rates, trade openness, and hence the outlook for the entire global economy.

## *Declining Manpower Availability*

FOR MOST of the past half century, East Asian labor policies were preoccupied with accommodating a surging growth of local manpower. But East Asia's great wave of labor market entrants has crested. Overall, manpower availability will continue to expand between now and the year 2015, but the deceleration of population growth means that a region that once seemingly defined the image of surplus labor will be forced, increasingly, to confront a labor scarcity.

---

[8]See Kenneth Kang, "Why Did Koreans Save So Little, and Why Do They Now Save So Much?", *International Economic Journal* (Winter 1994); Matthew Higgins and Jeffrey G. Williamson, "Age Structure Dynamics in East Asia and Dependence on Foreign Capital", *Population and Development Review* (June 1997); and Andrew Mason, "Will Population Change Sustain the Asian Economic Miracle?", *Asia-Pacific Issues*, paper no. 33 (October 1997).

[9]See Williamson, "Age Structure Dynamics in East Asia and Dependence on Foreign Capital."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

East Asian manpower availability trends are easy to summarize. In East Asia as a whole, the tempo of net additions to the working-age population—defined by convention as the 15-64 year-old group—exploded between the late 1950s and the early 1980s. In the second half of the 1950s, East Asia's total 15-64 age group grew by an estimated 34 million, at an annual pace of about 1.1 percent. In the first half of the 1980s, by contrast, its numbers rose over 130 million—almost four times as much—at about 2.8 percent per year.

That momentum has now been reversed. The absolute growth of working-age manpower in East Asia for the second half of the 1990s is estimated at about 90 million, down about a third from the early 1980s. The pace of growth has dropped in half, to about 1.4 percent a year. In Southeast Asia, the absolute increment of new potential workers is still on the rise, although the rate of growth has fallen. In Northeast Asia, both measures of manpower change are down sharply. In those intervening fifteen years, the absolute growth of working-age population is estimated to have dropped by half, and the pace of growth is believed to have fallen from 2.8 percent down to 1.1 percent a year.

Between now and 2015, the growth of potential manpower will decelerate still further. Internally generated increases in working-age population, now running at about 16 million a year, will likely fall below 5 million a year twenty years hence, making for a regional growth rate of only 0.3 percent annually. Indeed in Northeast Asia, the absolute size of the working-age populace will fall: for growth in Taiwan and the Korean Peninsula will be negligible; Japan's working-age population will be shrinking; and most significantly, China's manpower growth rate will have just turned negative. Within Southeast Asia, domestic manpower growth will have all but ceased in Singapore and Thailand by 2015. Virtually all of East Asia's regional manpower growth will be accruing from just three countries: Indonesia, the Philippines, and Vietnam.

The coming slowdown or actual decline of available manpower resources within East Asia will pose several challenges. Over the past generation, the formula for rapid economic growth for much of East Asia has relied heavily upon the mobilization of inputs—labor and capital—to speed development along.[10] In the decades ahead, however, new local supplies of labor will be less plentiful. Population aging, for its part, is likely to constrain the volume of local savings available for capital accumulation. Thus, a new formula more reliant upon improvements in efficiency and productivity will have to be devised if rapid economic growth is to resume after recovery from the current downturn.

But declining manpower availability can itself complicate the task of productivity improvement. Improved labor productivity presumably requires higher skill levels and greater educational attainment for regional labor forces. The slowdown in manpower growth, however, may reduce the pace at which education-based skills percolate up into the working-age population. In almost every East Asian country, educated youth will be replacing their less well-educated elders at a far slower pace than in the recent past. In 1975, for example, youngsters in their late teens accounted for over a fifth of South Korea's working-age population; by 2015 they will make up less than a tenth of it. Much the same will be true in Thailand, Taiwan, and China. Even in Indonesia, the share of 15 to 19 year-olds within the working-age population is projected to drop from roughly a fifth in 1975 to barely an eighth by 2015. Barring major changes in the schooling and training process, such trends presage mounting difficulties in eliciting rapid education-based improvements in labor productivity.

East Asian governments, of course, will retain other options for augmenting manpower within their national economies, but a

[10]For an extreme formulation of the problem, see Paul Krugman's "The Myth Of Asia's Miracle", *Foreign Affairs* (November/December 1994).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

number of these appear to offer only marginal benefit and some carry potentially high costs. Encouraging temporary or permanent immigration, for example, can ease shortages of workers or of specific skills. Some smaller East Asian countries have already successfully employed this device: in recent years, as much as 15 percent of the workforce in both Singapore and Malaysia was composed of non-citizens. Larger East Asian countries, however, seem markedly less capable of either incorporating newcomers into their economy or assimilating them into their society. Japan, in particular, appears to be conspicuously unable to cope with large inflows of immigrants. In 1995 resident foreigners accounted for a lower share of national population in Japan than in seventeen West European nations for which comparable figures are available. Throughout the 1990s, moreover, fewer foreigners were being naturalized in Japan than in tiny, reclusive Switzerland.[11] Yet without new inflows of immigrants, Japan's "working-age" population will shrink by ten million over the next twenty years.

Promoting higher rates of labor force participation is another way to add to the domestic workforce. Compared with the United States, labor force participation rates for women are low in Hong Kong, Japan, Singapore, South Korea, and Taiwan. In all these places, however, fertility levels are already lower than in America; enticing more women into the paid workplace would likely reduce fertility still further. Hence, today's labor shortages would be relieved only at the cost of intensifying tomorrow's.

## *East Asia's Impending Bride Shortage*

IN ORDINARY HUMAN populations, the sex ratio for babies exhibits a strong natural predictability: around 105-107 boys are born for every 100 girls.[12] Since the early 1980s, however, sex ratios at birth in much of East Asia have undergone a steady and eerie rise. By 1993, South Korea was registering nearly 116 boys for every 100 girls born. In 1995, a Chinese national sample population census counted over 118 boys under the age of 5 for every 100 little girls.[13] Unnaturally high sex ratios for infants and toddlers were also reported in the early 1990s for Hong Kong and Taiwan.

In South Korea, Taiwan, and Hong Kong, which have virtually complete demographic registration systems, the imbalances may be taken at face value. China's birth registration system, on the other hand, remains incomplete and part of the imbalance recorded in the 1995 sample census appears to have been a statistical artifact. But most of the reported imbalance is real. Recent U.S. Census Bureau reconstructions conclude that the actual male-to-female ratio for infants and toddlers in China for 1995 lay in the vicinity of 1.16 to 1.[14]

What accounts for these anomalous disparities? The gender imbalance emerging in China might be tied easily enough to the state's grotesque One Child Policy. Enforced through the apparatus of the State Family Planning Commission, it is a policy associated, among other things, with

---

[11]OECD, *Trends in International Migration, 1995* (Paris: OECD, 1996), pp. 60, 123. Roughly half of the registered "foreigners" in Japan are ethnic Koreans whose forebears have resided in the country for up to four generations—a fact that speaks for itself.

[12]Ansley Coale and Judith Banister, "Five Decades of Missing Females in China", *Demography* (August 1994), p. 459.

[13]Monica Das Gupta, "Missing Girls In China, South Korea, And India: Causes And Policy Implications", *Harvard Center for Population and Development Studies Working Paper Series*, no. 98.03 (March 1998), p. 2.

[14]Unpublished worksheet, U.S. Bureau of the Census, International Programs Center, China Branch; transmitted to the author March 1997. I am grateful to Dr. Loraine A. West, chief of the Census Bureau's China Branch, for sharing this research with me.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a resurgence of the age-old practice of female infanticide in the Chinese countryside.[15] But in Hong Kong, Taiwan, and South Korea—places subject neither to involuntary family planning programs nor to rural infanticide—these odd sex ratios require a different explanation. It would appear that the conjuncture of sub-replacement fertility, strong son preference, and availability of sex-selective abortion accounts for these skewed ratios. Irrespective of income level, educational attainment, or the extent of political liberties available to the population in question, the problem is now in fact general to the region.

The striking imbalance portends a mismatch between prospective husbands and brides a generation hence—or even sooner. The Republic of Korea's National Statistical Office has calculated that the sex ratio for the country's marriage age population in 2010 will be over 123 men for every 100 women. Prospective trends for China are almost as striking: between 1995 and 2020, according to recent U.S. Census Bureau projections, the number of Chinese men in their early twenties for every 100 young women from the same cohort will increase from 105 to 116.

In the Chinese and Korean traditions, virtually all men and women who are able to marry ultimately do so. But the sexual arithmetic of the future will not abide such traditions. If there are 116 young Chinese men for every 100 young Chinese women, and if 2 percent of those young women never marry, then one out of every six of these young men must find a bride from outside of this cohort—or fail to continue his family line.

In theory, this problem could be finessed by marrying outside one's age cohort—for example, by finding a younger bride. This was, in fact, a traditional solution for less extreme manifestations of the same problem, and given East Asia's historic high-fertility age structure, the solution worked because each new cohort was larger than the one before. But given today's regimen of low and sub-replacement fertility, East Asia's rising youth groups will typically be *smaller* than the cohorts born just before them. Thus, if young men in Hong Kong, Taiwan, South Korea, and China solve their problem by marrying younger women from within their own society, they will only intensify the marriage crisis for those compatriots a few years their junior.

Unless bachelorhood suddenly becomes much more socially acceptable in East Asia, both China and South Korea are poised to experience an increasingly intense, and perhaps desperate, competition among young men for their country's limited supply of brides. What forms will this competition take, and how will these societies be affected by it? In South Korea, a minister of health and welfare "quoted a scholar saying that if the sex imbalance ratio exceeded 120 males to 100 females, riots may take place over the shortage of females for marriage."[16] (His pronouncement, one may note, was offered before the country's statistical authorities had estimated that the imbalance would actually exceed this threshold by 2010.) As for China, an essay in the journal *Renmin Luntan*, contemplating the country's future gender imbalance, predicted that such sexual crimes as "forced marriages, girls stolen for wives, bigamy, visiting prostitutes, rape, adultery . . . homosexuality . . . and weird sexual habits appear to be unavoidable."[17]

Such assessments sound overly dramatic. Nevertheless, the coming bride shortages will create extraordinary social strains, especially in China. In Hong Kong and Taiwan, the "next best" available solution to the shortage is obvious: import from abroad. To "clear the

---

[15] See John S. Aird, *Slaughter of The Innocents: Coercive Birth Control In China* (Washington, DC: AEI Press, 1990).

[16] *Korea Times*, January 29, 1995, p. 1; reprinted as "Government Planning Review of Population Policy", FBIS-EAS-95-019, January 29, 1995.

[17] *Renmin Luntan*, November 8, 1997, pp. 50-1; translated as "China: Female-Male Population Discrepancy", FBIS-CHI-98-042, February 11, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

market" for marriages a decade or two hence, Hong Kong and Taiwan need only secure a combined total of about twenty thousand ethnic Chinese mail-order brides each year, hardly an unmanageable proposition for prospering societies so close to an enormous, and largely impoverished, Chinese hinterland.

Such a solution, of course, would make China's problem slightly worse, and it is already liable to be bad enough. It is China where the impending bride shortage looms largest and looks most intractable. China is too poor to count on securing mail-order ethnic Chinese brides, and for purely arithmetic reasons even a wealthy China could not hope to solve its problems in that way. By 2020 the surplus of China's males in their twenties will likely exceed the entire female population of Taiwan! Thus, barring a sudden and dramatic departure from existing customs, a significant fraction of China's young men will have to be socialized to forego marriage and parenthood.

For South Korea, the problem is less forbidding but more complex. Although the ROK has become a relatively affluent society, it already contains over three-fifths of the world's stock of ethnic Koreans. Matchmaking services in Seoul are already contracting marriages with "Yanbian brides"—ethnic Koreans from communities in northeastern China. For the generation of young men who will begin entering the marriage market around 2010, however, South Korea faces a cumulative bride deficit of roughly one million women, and there are currently less than two million ethnic Koreans in all of China.[18] If these prospective suitors are to find ethnic Korean mates, their only viable solution is to look to North Korea.

For today's divided Korea, such a proposition is unthinkable. But even in the context of some future détente or unification on the Korean Peninsula, the problems posed by the South's hunger for Northern women would be unprecedented and, at the very least, indelicate. For the DPRK, the duty of protecting the country's women against outside "predators" might offer a powerful, primordial rationale for regime continuation. For a unified Korea, the process of healing and reconciliation might be aided in one way by North-South intermarriages—but it could also be set back by the social resentment of those in the North who are left behind (or left unmarriable).

Auguste Comte's aphorism that demography is destiny is much overused. With intelligent policies and reasoned behavior, it is usually possible to maximize opportunities and minimize risks inherent in population trends. But East Asia's mounting gender imbalances constitute a seemingly irremediable problem. It is a problem already in place, ready to unfold in the coming century. Unless sex ratios return to a more biologically natural balance, East Asia's future will be characterized by a new form of social distortion with unpredictable, and possibly far-reaching, consequences. □

[18]The ROK bride deficit is calculated on the basis of U.S. Census Bureau projections for the year 2010. Numbers on the Korean population in China are taken from ROK National Statistical Office, *International Statistical Yearbook 1997*, p. 85.

**www.nationalinterest.org**

**Ready to serve you.**



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Serious About Sanctions

Daniel W. Drezner

SELF-inflicted wounds. Chicken soup diplomacy. Boomerangs. Good intentions gone bad. These clipped responses reflect the accepted wisdom among policy cognoscenti about the scant value of economic sanctions to the United States. Even Hollywood is derisive; in the summer 1997 blockbuster *Air Force One*, "President" Harrison Ford denounces as "cowardly" a policy of applying mere economic sanctions to terrorist states.

Curiously, though, this near consensus has not slowed the congressional urge to apply sanctions. In the past three years the United States has imposed or threatened economic sanctions 60 times against 35 different countries, affecting 42 percent of the world's population. According to the Institute for International Economics, sanctions exact an annual cost of close to $20 billion in lost exports. To enforce sanctions against Cuba, Iran, and Libya, Congress has passed laws mandating secondary sanctions against foreign companies that do business with these countries. Proponents of such sanctions argue that such legal mandates are necessary for sanctions to work. Opponents point to damaged relations with key allies and utterly inconclusive results.

Sanctions are serious business, and they do involve serious costs. Their effect, however, is more complex than either moralistic optimists or realpolitik pessimists usually contend. A closer look at the history and strategic logic of sanctions shows that they can be a valuable policy tool in some domains but are useless in others. The trick is to figure out which is which.

## *The Poverty of the Pessimists*

WITHIN THE foreign policy establishment, sanctions pessimists far outnumber optimists.[1] Lately, too, pessimists have been galvanized by USA*Engage, a business lobby dedicated to the removal of all unilateral sanctions. The pessimistic approach is based on the belief that all sanctions share the same negative characteristics as those of the best-known cases of presumed failure: the UN sanctions regime against Iraq since 1991; the U.S. grain embargo against the Soviet Union in 1980; U.S. sanctions against Castro's Cuba; and, earlier, the 1935 League of Nations sanctions against Italy. Taking these cases as representative, four main conclusions are drawn: 1) sanctions rarely work; 2) unilateral sanctions never work; 3) sanctions hurt American trade and damage the U.S. reputation as a reliable sup-

Daniel W. Drezner is assistant professor of political science at the University of Colorado at Boulder. His book, *The Sanctions Paradox: Economic Statecraft and International Relations*, is forthcoming from Cambridge University Press.

[1]See, for example, James Schlesinger, "Fragmentation and Hubris", *The National Interest* (Fall 1997), and Richard Haass, "Sanctioning Madness", *Foreign Affairs* (November/December 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plier; and 4) sanctions are immoral because they afflict ordinary citizens rather than culpable elites.

Each of these arguments is flawed, but taken together they are wrong for two principal reasons: pessimists ignore lesser known successful cases; and their specific accounts of major failed episodes are pocked with errors. When we take these four arguments one by one and match them against the historical record, several stunning conclusions emerge. It turns out that sanctions tend to work better when applied against allies rather than adversaries. It also happens that unilateral U.S. sanctions are sometimes more effective than multilateral sanctions.

**Flawed Argument #1: Sanctions rarely work.** *Economic Sanctions and American Diplomacy*, a recent Council on Foreign Relations volume edited by Richard Haass, displays all the qualities of the pessimists' literature on the subject. It starts with the comment that sanctions are proliferating and concludes with the various reasons why they almost never work: they are imposed halfheartedly; the sanctioned state can easily evade them; the demands are too big or too vague. These pronouncements sandwich some anecdotal descriptions of the most prominent examples of sanctions, including the clunkers listed above, and suggest that all cases of economic sanctions have the same basic characteristics as these celebrated failures.[2]

This is not so. Economic sanctions do not always fail. One comprehensive study of 116 sanctions episodes between 1914 and 1990 concluded that economic sanctions failed about a third of the time, succeeded about a third of the time, and partially succeeded about a third of the time.[3] The data also show that the end of the Cold War has increased the odds of sanctions success, and the reason is simple: there is no Soviet Union to serve as a "black knight", replacing the United States as a source of aid.

Close analysis of the record reveals interesting distinctions between cases where sanctions work and where they do not. As expected, they tend to work if they impose significant economic costs and if the political objective toward which they are aimed is narrowly and clearly defined. More intriguing, however, is the importance of conflict expectations.

The use of sanctions between adversaries is more frequent (and more costly to the sanctioner) than sanctions applied between allied or friendly states, but they are less successful in extracting political concessions. The reason is that adversaries care about the long-run implications of making concessions because they anticipate future clashes. They are reluctant to behave in ways that could strengthen the sanctioner's future bargaining position and establish their own reputation for acquiescence. Adversaries often prefer near-term economic costs to longer term political ones. This best explains the general failure of U.S. economic coercion to achieve its stated goals against countries such as Iran, Iraq, Cuba, China, and North Korea, even if sanctions do serious economic harm to them.

Sanctions imposed against allies or friends are rarer, but far more successful. The logic here is also clear. They are rarer because governments are generally reluctant and have less need to impose economic costs on an ally or friend. But sanctions are more likely to work because, as allies have lower expectations of future conflict, they will be less concerned about the material and reputational consequences of acquiescing. This explains lesser

[2]Other examples of the genre include Robin Renwick, *Economic Sanctions* (Cambridge: Harvard Studies in International Affairs, 1981); Margaret Doxey, *International Sanctions in Contemporary Perspective* (New York: St. Martin's Press, 1987); and Makio Miyagwa, *Do Economic Sanctions Work?* (New York: St. Martin's Press, 1992).

[3]Gary Clyde Hufbauer, Jeffrey Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy*, 2nd ed. (Washington: Institute for International Economics, 1990).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

known but hardly insignificant instances of successful American sanctions: the financial sanctions used against Great Britain and France during the 1956 Suez crisis; the various economic pressures marshaled against U.S. allies in the 1970s to dissuade their acquisition of nuclear weapons; and the 1991 use of loan guarantees to leverage Israel into halting the construction of new settlements in the West Bank and Gaza.

Some argue as well that sanctions against allies tend to work because, more often than not, U.S. allies are democracies. In democracies, as Gary Hufbauer recently put it, "the elite cares what the rest of the world thinks", which makes it "far more susceptible to sanctions than authoritarian countries isolated from world opinion."[4] This sounds right, but it isn't. The data show no correlation between the effectiveness of sanctions and whether the targeted regime is democratic. A bit more reflection suggests, too, that the democracy issue cuts both ways. While democratic governments may—or may not—be influenced by their sense of world opinion to give in to pressure, they may also be influenced by a welling up of national pride and indignation to resist pressure. Contrariwise, authoritarian governments, which generally have less to worry about from their publics, may find it easier to give in to sanctions pressures when they decide they need to do so. So the interaction between democracy and sanctions turns out to be ambiguous.

There is no ambiguity, however, about the fact that sanctions employed against adversaries are far more likely to be *noticed* than those directed against allies. In an adversarial relationship, both states are more likely to take public actions to make their point. A classic example is the continuous conflict between the United States and Iraq since August 1990. Furthermore, adversaries have an incentive to use bellicose rhetoric to shore up domestic support, while allies usually prefer to keep their conflicts with each other hidden or at least reasonably muted. There are few rewards to using hostile rhetoric against one's allies, as Yitzhak Shamir found out in 1992 when his Likud government was defeated by an electorate unhappy in large part over deteriorating U.S.-Israeli relations.

Because sanctions episodes among adversaries are rhetorically louder and seem more portentous, it is natural that the media pay more attention to them. As a result, a distorted picture tends to emerge in which it is assumed that all cases of sanctions involve hostile rhetoric, non-negotiable demands, and hopeless stalemates. Pessimists are right to point out the futility of U.S. sanctions against countries such as Cuba, China, or Iraq. They are wrong to generalize this futility to all sanctions episodes.

**Flawed argument #2: Unilateral sanctions never work.** When presented with facts that make the "sanctions don't work" claim problematic, pessimists usually retreat to a fallback position, which is that *unilateral* sanctions never work—and most U.S. sanctions *are* unilateral. A simple economic logic supports this claim. Since the United States is only one of many important markets, targeted states can easily circumvent its sanctions by accessing alternative markets. Without concerted international support, the argument runs, sanctions are toothless.

While this seems unarguable, the available evidence is surprisingly ambiguous. Statistical tests show no significant overall relationship between the extent of international cooperation and the success of a sanctions episode. The data do show another relationship, however, concerning the auspices under which multilateral sanctions are imposed. If an international organization such as the United Nations or the Organization of American States mandates sanctions, multilateral action tends to be effective. This is because such auspices signal an intention by the sanctions coalition to stand firm, and make defections from a sanctions coalition less likely. Thus,

[4]Gary Hufbauer, "The Snake Oil of Diplomacy", *Washington Post*, July 12, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

UN sanctions against both Serbia and Iraq have remained in place for several years despite the efforts of some Security Council members to lift them. While sanctions have not been conclusively effective in either case, they have limited the power base and diplomatic flexibility of both regimes.

Without such institutional support, however, multilateral sanctions are significantly *less* likely to succeed than unilateral action. This is because the sanctioned country usually prefers to wait out an ad hoc sanctions coalition, expecting it to collapse. In the case of the U.S. grain embargo of the Soviet Union in 1980, for example, Argentina's willingness to sell grain to the Soviets encouraged several European countries, then Australia and Canada, to renege on their pledges not to increase their Soviet-bound exports.

Moreover, unilateral U.S. sanctions often impose greater costs than standard economic explanations predict because in most cases they do not fit standard economic assumptions. Instead of trade, aid is often targeted. The economic effect of aid-based sanctions can be substantial since circumventing the cost requires finding an alternative—something that is hard to do in the post-Cold War era. The United States can also suspend preferential trade arrangements with a sanctioned country. Again, for that country to evade the potential economic damage of such a sanction it must find another compatible market willing to make the same concessions. In cases where the United States has imposed export bans, it has often done so in circumstances in which the United States held a near monopoly position in the global marketplace. Examples include the embargo of nuclear technology exports in the 1970s to suspected proliferators, and the export ban of superphosphoric acid to the Soviet Union following the invasion of Afghanistan.

Unilateral U.S. sanctions can also target a regime's financial vulnerabilities. The freezing of foreign assets held in the United States is a device that has given the U.S. government considerable leverage in its ongoing difficulties with both Iraq and Iran. Another available option is undermining a targeted country's currency. Yet another is that of discouraging, in effect denying, access to IMF or World Bank assistance; or of simply making it illegal for U.S. financial institutions, public and private, to do business with certain countries under certain circumstances. Such a law passed by Congress in 1994 against non-nuclear weapons states that engaged in atmospheric testing—and clearly aimed at South Asia—succeeded in heading off an Indian test planned for early 1995.[5] (Obviously, it did not have the same effect in 1998.)

Unilateral American sanctions are hardly foolproof. But depending on the broader diplomatic context in which they are situated, they can impose greater economic costs, and provide more diplomatic leverage, than USA*Engage would like to acknowledge.

**Flawed argument #3: Sanctions hurt U.S. trade.** Business groups claim that because the United States imposes so many sanctions, American firms are put at a disadvantage compared to foreign competitors. They cite a recent study from the Institute for International Economics (IIE) that estimates the costs to U.S. exports resulting from sanctions at $15-19 billion, and a loss of 200,000 jobs in the export sector.[6] Furthermore, critics contend that sanctions render U.S. firms "unreliable suppliers", thus permanently weakening U.S. exports.

Anecdotal evidence for this claim abounds. The U.S. grain embargo of the Soviet Union is cited as having had a devastating impact on U.S. agriculture. One study pegged the cost at $7 billion, while the U.S.

[5]Noted in Henry Sokolski, "Faking It and Making It", *The National Interest* (Spring 1998).

[6]Gary Hufbauer, Kimberly Ann Elliott, Tess Cyrus, and Elizabeth Winston, "U.S. Economic Sanctions: Their Impact on Trade, Jobs, and Wages", IIE working paper (April 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Department of Agriculture estimated that farm incomes dropped by 40 percent in 1980.[7] Furthermore, after the lifting of the grain embargo, the Soviet Union continued to rely primarily on non-American sources for food imports, thus deepening the losses still further.

A closer look at the evidence casts doubt on these claims. First, as noted above, most U.S. sanctions do not impinge on bilateral trade. Second, the IIE study makes the convenient but dubious assumption that U.S. firms are unable to redirect exports toward non-sanctioned countries. Note the irony: pessimists assume that sanctioned countries can redirect their trade at will, but that the United States cannot.

Consider the grain embargo in this light. Because Argentina and other countries were willing to export to the Soviet Union, it would appear that U.S. exporters were badly hurt. In fact, U.S. grain exports rose 37 percent in the fiscal year after the embargo, and the U.S. share of global grain exports rose by 3 percent. The United States simply expanded into new markets, such as China and Mexico, that other grain exporters had abandoned in order to service the Soviets.[8] The U.S. agriculture sector did suffer significant costs, but these costs were not equal to the total value of the reduced exports or even close to it. If widespread assumptions about the ability of sanctioned countries to redirect their trade are applied to U.S. exporters, the total costs to the United States of sanctioning falls from $15-19 billion to a range of $3-4 billion annually.

Finally, even the authors of the IIE report admit that there is no statistical evidence to support the "unreliable suppliers" argument. Trade levels for the year following the end of economic sanctions show no significant reduction in the volume of trade. In some instances the trade levels show a significant increase three to four years after the sanctions are lifted. Sanctions may impose costs on some U.S. firms, but they do not seriously harm America's trade position overall or in the long run.

**Flawed argument #4: Sanctions are immoral because they hurt ordinary citizens more than elites.** Sanctions have often been advocated as a morally superior substitute for more violent actions. But pessimists have argued that, over the long run, sanctions can devastate populations no less than war. The UN sanctions that have been in place against Iraq since August 1990 have been cited as an example. In April 1991, epidemics of cholera, typhoid, and gastroenteritis were reported in Iraq. With general inflation at 4,000 percent, the price of staple goods such as bread, eggs, flour, and infant formula also skyrocketed.[9] Journalists used a UN Food and Agriculture Organization (FAO) report on the humanitarian impact to claim that sanctions were responsible for the deaths of 567,000 Iraqi children since the end of the Gulf War. Even if these claims are vastly inflated—and they are—certainly the rulers of Iraq have not suffered as much as the ruled, if they have suffered at all. Thus, some sanctions pessimists argue, UN actions are tainted with the blood of those who have suffered in Iraq.

This argument is another example of using a flawed description of an atypical case to make improper generalizations. The FAO's 567,000 deaths estimate was based on a dubious extrapolation of a small sample, and no independent sources of data on health status in

---

[7]Cited in M.S. Daoudi and M.S. Dajani, *Economic Sanctions: Ideals and Experience* (Boston: Routledge, 1983), p. 141.

[8]See Robert Paarlberg, "The 1980-81 U.S. Grain Embargo: Consequences for the Participants", in David Leyton-Brown, ed., *The Utility of International Economic Sanctions* (New York: St. Martin's Press, 1987); and H. Stephen Gardner, "Assessing the Costs to the U.S. Economy of Trade Sanctions Against the USSR", in Gordon Smith, ed., *The Politics of East-West Trade* (Boulder: Westview Press, 1986).

[9]Bashir Al-Samarrai, "Economic Sanctions Against Iraq: Do They Contribute to a Just Settlement?", in David Cortright and George Lopez, eds., *Economic Sanctions* (Boulder: Westview Press, 1995).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Iraq are available. It is also impossible to disentangle the humanitarian impact of sanctions from the effects of bombing during the Gulf War and the economic damage that Iraq suffered due to eight years of the Iran-Iraq war. The outbreak of diseases in 1991 probably had far more to do with the bombing of the electrical grid during the Gulf War and the subsequent shutdown of waste treatment facilities than it did with sanctions. Most important, to blame the United Nations for the situation in Iraq overlooks the principal role of the Iraqi regime, which has preferred building weapons "palaces" to caring for the Iraqi people.

Just as some sanctions pessimists misconstrue reality in the Iraqi case, they also err by assuming that all other sanctions episodes resemble the Iraqi situation. About 75 percent of all sanctions episodes last less than the eight years that Iraq has been sanctioned. A majority of cases last three years or less. The average toll of sanctions as a percentage of GNP is one-hundredth the cost of the impact of sanctions on Iraq, which is itself exaggerated by the fact that sanctions have sharply curtailed Iraq's ability to export oil—a hugely valuable export by any measure. In most cases, the duration of the sanctions episode is too short, and the aggregate cost is too small, for populations to truly suffer. When we find exceptions—like sanctions applied against Haiti from 1992-94—then humanitarian escape clauses are both just, necessary, and available.

## *Deflating the Optimists*

ECONOMIC SANCTIONS are not as useless as pessimists contend, but that doesn't mean that the United States should be ready to apply them on a regular basis. Optimists who push for sanctions on one issue after another, often touting moral arguments for so doing, are either naive or irresponsible—and often both. They are naive because there is simply no empirical basis for their faith in the power of sanctions as an effective and precise tool to stop local wars, limit the flow of drugs, or halt the persecution of religious minorities. Thus their irresponsibility, for a tool used too often and in the wrong circumstances is a tool dulled; and a policy undertaken without concern for the long-term effects on the target is precisely what leads to pointless disasters such as that which befell Haitians between 1991 and 1994.

The arguments of sanctions optimists are no more impressive than those of sanctions pessimists. Two flawed examples come readily to mind.

**Flawed argument #5: Sanctions are a costless and harmless alternative to force.** Sanctions have long been part of the Wilsonian tradition of developing substitutes for the use of military force. Optimists often parry arguments about the limited effectiveness of sanctions with the escape clause that even if they do no good, they will do no harm—and if sanctions do turn out to be an effective substitute for force, the savings in lives and dollars is significant. As one optimistic scholar puts it, the cost of imposing sanctions is "far smaller than the cost of threatening or using major force, a prime policy alternative. While sanctions cost the United States $7 billion in lost exports, the defense budget . . . cost a far larger $283.5 billion in 1987. Moreover, sanctions have the obvious advantage of not risking the lives of U.S. citizens."[10]

The argument that sanctions are costless even if they do not work as intended is flat wrong. Sanctions entail political and military costs. Any tool of foreign policy depreciates in value the more frequently it is used, so using sanctions for every minor dispute dilutes their value as a credible signal. More important, sanctions can increase the chances of war. The first recorded use of economic sanctions helped to trigger the Peloponnesian War. Japan attacked Pearl Harbor only after the United States imposed an embargo. In 1994,

[10]Beth Rogers, "Using Economic Sanctions to Control Regional Conflicts", *Security Studies* (Summer 1996), p. 53.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

North Korea responded to the prospect of UN sanctions by threatening a war that would have quickly engulfed Seoul—and few were prepared to call it a bluff.

It is no coincidence that all these are examples of sanctions imposed or threatened against adversaries. Imposing sanctions against adversaries is like playing with matches: they can fizzle out or they can ignite an unanticipated conflagration. Moreover, economic sanctions are as prone to "mission creep" as the use of force. Sanctions may be initiated with modest demands, but in a complex and difficult situation, more may be asked of them than they can deliver. This often causes the United States to up the ante through covert operations, the threat of force, or the use of force. That certainly has been the case in Iraq since the Gulf War, where sanctions were supposed to limit Iraqi power only until Saddam Hussein was overthrown, which most observers put at six months or less at the time. When Saddam did not fall as predicted, sanctions, together with UNSCOM inspections, were made to bear the brunt of the effort to contain a regime determined on strategic breakout and revenge—a task for which they were not designed. Hence the U.S. turn to covert operations and, thanks to Iraq's defiant and dangerous behavior, the use of moderate force in 1993 and 1996.

A similar dynamic can be traced elsewhere. Following the imposition of economic sanctions—many of them all but forgotten in the wake of what followed—the United States threatened force and sent troops to Somalia, Bosnia, and Haiti. The point is not the outcome of those interventions; the point is that sanctions are often a prelude to the use of force, not a substitute for it.

Many rue this form of mission creep, but some derive a principle from it. Hufbauer and Kimberly Ann Elliott both argue that the president *should* view the imposition of sanctions as a prelude to the use of force. In Hufbauer's words: "Unless we are prepared to remove bad governments with military force, we have no business heaping prolonged punishment on innocent people."[11] Even setting aside the fact that the punishment inflicted by sanctions is generally not severe, this view seems the inflexible inverse of that holding that sanctions are and always should be a substitute for the use of force. The real point is that sanctions must be part of an overall strategy for dealing with a problem. In other words, *sanctions should not be a substitute for strategy.*

Like other foreign policy tools, too, economic sanctions are subject to the law of unintended consequences, including ones extending beyond the targeted regime. For example, UN sanctions against Serbia have created a vibrant black market between Serbia and its neighbors, one result of this being that efforts at economic reform in Macedonia, Bulgaria, Romania, and Albania have suffered serious reverses as sanctions profiteers weakened the rule of law in these countries. Similarly, U.S. sanctions against Colombia may have driven its government and police to crack down on drug cartels, but that led in turn to an explosive growth of drug crime in Mexico—a country far closer and more important to the United States than Colombia. One can imagine circumstances, too, in which sanctions might undermine a recalcitrant government only to give rise to a downright evil one. So even if sanctions succeed in their primary task, ancillary costs such as these cannot be dismissed.

**Flawed argument #6: Congressional mandates will lead to an effective sanctions policy.** Single-issue lobbies for the war against drugs, terrorism, non-proliferation, or on behalf of human rights and fair trade, have all tried to influence policy through the application of mandatory economic sanctions via the U.S. Congress. These categorical mandates have been responsible for most threatened or applied U.S. sanctions since 1990.

[11] Hufbauer, "The Snake Oil of Diplomacy." See also Kimberley Ann Elliott, "The Sanctions Glass: Half Full or Completely Empty", *International Security* (Summer 1998), p. 58.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Activists argue that congressional mandates create an automatic trigger within the U.S. government that cannot be deactivated. That makes the threat of sanctions more credible, for when targeted countries realize that the executive branch has little discretionary power, they will cave in to congressional demands accordingly. The chicken metaphor is often invoked as a clincher. After all, the driver who throws the steering wheel out of the window should win every time, right? But like a lot of simple ideas, this one is wrong. The problem with its logic is that, even with congressional mandates, the executive branch still controls the steering wheel for the most part.

All congressional sanctions mandates include at least two ways for the executive branch to circumvent the intent of the law without violating its letter. First, most of these laws rely on an executive branch agency to determine if relevant countries are complying with U.S. standards. This tempts the bureaucracy to fudge reality. President Clinton admitted as much—and more—to a small group, not knowing that a member of the press was in the room:

> What always happens if you have automatic sanctions legislation is it puts enormous pressure on whoever is in the executive branch to fudge an evaluation of the facts of what is going on. And that's not what you want. What you want is to leave the President some flexibility, including the ability to impose sanctions, some flexibility with a range of appropriate reactions.[12]

This is not a new problem or a new sentiment. The Carter administration, although concerned with human rights, refused to brand any country as a "gross violator of human rights" because it did not want to trigger automatic sanctions. More recently, to exemplify the President's plaint, the Clinton administration certified Mexico as a responsible partner on drug prevention while denying the same status to Colombia, despite the marked similarities between the two countries on the drug issue. While this provoked congressional ire, sanctions were never imposed on Mexico.

Second, even if executive agencies were completely candid in their reports to Congress, virtually every piece of legislation regarding sanctions has a "national interest" waiver attached to it.[13] This gives the president the authority to waive sanctions due to other, allegedly overriding foreign policy considerations. Congress, for example, would have been willing to accept drug certification of Mexico had the Clinton administration invoked the national interest waiver. Obviously, the national interest argument can be used to exempt U.S. allies from sanctions.

Taken together, these two circumventions of congressional mandates produce the same old pattern: sanctions are only applied against those countries for which the odds of success range from slim to zero. Far from being an example of throwing out the steering wheel, congressional mandates are usually about as effective as honking the horn.

IT IS A POPULAR cliché in foreign affairs that academics make grandiose and unrealistic generalizations, inviting the scorn of policymakers for overlooking the complexities and the politics of the situation. It is more than a cliché; it is often true. With regard to sanctions, however, the cliché is reversed. Prominent policymakers are fond of dismissing sanctions as useless and counterproductive, while at least some academics rec-

[12]Clinton quoted in Elaine Sciolino, "On Sanctions, Clinton Details Threat to Truth", *New York Times*, April 28, 1998.

[13]The 1994 Non-Proliferation Act was an exception that proved the rule; but after the law was triggered by Indian and Pakistani tests, Senator John Glenn, author of an amendment to the act, stated that he regretted the omission of a national interest waiver—or, at the least, of a thirty-day cooling off period before sanctions came into effect. See Nancy Dunne, "Sanctions Overload", *Financial Times*, July 21, 1998.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ognize that things are not so simple. As demonstrated above, economic sanctions tend to be least effective against the few countries that the United States is most eager to coerce. When used selectively and carefully, however, against the vast majority of states that do not expect frequent bilateral conflicts with the United States in the future, they can be a valuable diplomatic tool. This does not mean, of course, that all sanctions directed against allies or neutrals are wise, only that they are more likely to work. All the more reason, then, to make certain they are wise.

There have been some hopeful signs lately that a more nuanced understanding of sanctions may be developing. The Clinton administration and the Congress are backing away from the precipice of a sanctions avalanche. At the May 1998 G-8 summit in Birmingham, England, the United States agreed not to apply the extraterritorial sanctions mandated by the Helms-Burton and Iran-Libya acts against European firms. This action headed off a looming trade war between the United States and the European Union that could have shaken the global trading regime to its very foundations.

Congress is also taking steps to act more prudently. Senator Richard Lugar has proposed the Sanctions Reform Act, which would require such sensible things as a clear statement of policy objectives, a report assessing the cost of sanctions to the United States, and a national interest waiver for the president in all cases. The draft law is not perfect; for example, its proposal to require congressional approval every two years to keep sanctions in place would merely encourage targeted regimes to hunker down and wait for sanctions fatigue to kick in. But the trend is clear, and the way the United States has dealt with the proliferation issue in South Asia has been exemplary. The 1994 Non-Proliferation Act required the United States to impose sanctions on India and Pakistan should they test a nuclear weapon, as both did this spring. However, the Clinton administration interpreted the law in such a way as to impose only mild sanctions. In the context of what appeared to be a serious diplomatic effort, it then encouraged Congress to lift the ban on wheat sales to both countries—which Congress did on July 9—followed quickly by the easing of most other sanctions in tandem with administration guidance.

All this is to the good, but we can do still better. The recent disrepute of economic sanctions is in no small part due to a lack of candor that has taken several forms. First, both Congress and the President have pushed for sanctions for opportunistic reasons, and without acknowledging the long-term political costs to the sanctions tool that come from overusing it. Second, when sanctions alone cannot achieve the desired policy goal, saying otherwise on a Sunday morning talk show amounts to overselling their potential and decreases the likelihood that sanctions will be implemented wisely in the future. Third, economic sanctions that serve particular interests are merely another form of protectionism, but this is rarely if ever admitted. It would help a lot if we stopped overusing, overselling, and suborning sanctions for parochial political purposes, for only through a realistic assessment of their capabilities and their limitations can economic sanctions serve the national interest.

Finally, though, it is worth reminding ourselves that the imposition of sanctions is often undertaken for reasons that have little to do with their prospects of success, and these reasons are not always frivolous or vain. The congressional habit of applying sanctions during the tenure of the present administration has been motivated, in part, to force a dilatory group of officials to pay more attention to certain serious issues. The President vetoed the Iran Missile Sanctions Act in June, claiming that the law could be counterproductive to a policy showing signs of working. But without the threat of such legislation lingering over the administration's head for most of the previous year, such a policy might never have been produced in the first place. Whether sanctions are flowers or weeds, they always rest in a bed of politics. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Lord Salisbury

## *A Model for Aspiring Imperialists*

Anatol Lieven

TO RECOMMEND Robert Arthur Talbot Gascoyne-Cecil (1830-1903)—third Marquis and twenty-third Earl of Salisbury and three times prime minister of Great Britain—to contemporary American leaders as a role model may well seem quixotic, given the immense cultural difference between him and them. If brought face to face, they would probably find him quite incomprehensible. For his part, Salisbury would find them—well, his opinions of both America and democracy were rather harshly expressed 140 years ago, and it is unlikely that he would think that things had improved in the meantime.

Nonetheless, the recommendation is worth making, for the combinations of vast apparent strength with great difficulties in actually mobilizing and using that strength, and of enormous world prestige with equally great world resentment of that prestige that characterized the British Empire of the later nineteenth century are not without their echoes in the U.S. world hegemony of today.

There were other problems with which Salisbury had to deal that should evoke sympathy from an American statesman of today: one was the tendency of nineteenth-century British public opinion to swing wildly between interventionism and isolationism in its attitude to the outside world; another, the tendency of military experts and professional geopoliticians vastly to exaggerate both the scale and the permanence of security threats from particular rival nations—and in consequence, to try to tie Britain into rigid alliances with what turned out later to be exactly the wrong set of countries. Then again there was the tendency of powerful domestic lobby groups to commit themselves with blind moral fervor to one side or another in disputes between other nations (though British foreign policy was at least spared the baleful impact of domestic ethnic lobbies in the service of foreign states). And finally, there was the tendency, familiar to any observer of American foreign policy, for parts of the foreign policy establishment to try to drag the country into international commitments far beyond what the people were prepared to fight or pay for.

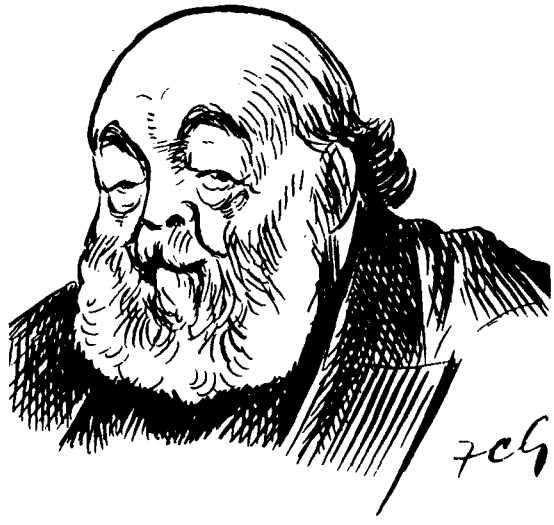
Perhaps Salisbury's most useful and permanent lesson, however, lies in the particular nature of his patriotism and of his conduct of foreign policy, which in turn were rooted in his personal character and religious sense. These moral qualities made his policies as distinct from the ruthless realpolitik of Bismarck (or, some would say, Kissinger) as they were from the sentimental-liberal-humanitarian-democratic effusions of his day and ours. His hatred of diplomatic lies and tricks, of secret treaties, as well as of unnecessary violence is striking in a "realpolitiker", and is a reminder that realism can be combined with conscience and honor.

Anatol Lieven is editor of *Strategic Comments* at the International Institute for Strategic Studies in London. The views expressed in this article are his own.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is Salisbury's very unusual combination of realism and morality, cynicism and principle that helps make his record of enduring value to would-be statesmen. His moral sense was backed up by a powerful and above all an independent and skeptical intellect, and his clear-sighted detachment from the dominant ideological shibboleths of his time would be striking in a politician of any period. On the one hand, he was highly skeptical of the benefits supposedly guaranteed by democracy, economic "progress", and unrestricted national self-determination; on the other, though he was resolutely committed to the defense of the British Empire, he wrote with contempt of the hypocrisy and theft that characterized much of Western (including British) imperialism. Such detachment is a quality that U.S. statesmen would do well to cultivate. For a constant danger to clear analysis and prediction by U.S. diplomats today is not so much that they echo in public the pious platitudes of their leaders about the state of the world—it is that so many otherwise intelligent and able officials actually believe them.



Lord Salisbury, by Sir Francis Carruthers Gould
Courtesy of the National Portrait Gallery, London

## *For Aristocracy*

SALISBURY'S CAPACITY for detachment was in part due to his birth into the highest ranks of the aristocracy. Salisbury was the last British prime minister to sit in the House of Lords, where the founder of his house, Lord Burghley, had sat as Elizabeth I's chief minister 250 years earlier. However, as a younger son he was far from wealthy, and he only succeeded to the Salisbury title and estate at the age of thirty-eight as the result of the death of his elder brother. Until then, he had supported himself largely from journalism, as his father had given him no financial support after he contracted a non-aristocratic (though respectable) marriage. On the other hand, family connections were responsible for his entry into the House of Commons in 1853 as Conservative MP for a "pocket borough" controlled by his cousin, Lord Exeter.

His election was unopposed—which was just as well, because although he later showed himself to be a superbly effective leader and organizer of electoral campaigns, a mixture of aristocratic pride, chronic shyness, and profound honesty meant that Lord Salisbury hated the very idea of begging or bribing people for their votes. His feelings about this are so out of key with contemporary touchy-feely political behavior as to sound positively bizarre—which gives them a certain moral shock value. His daughter and biographer, Lady Gwendolen Cecil, wrote of "his dislike of manifestations of popular applause. . . . He could not believe in their genuineness, and he classed the motives which induced men to seek after him or cheer him with those which drew them round the last monstrosity in a showman's booth."[1] She sums up his inability to stir mass emotions and attract political support on those terms in words that could stand as the memorial for a

[1]All quotations from Salisbury's daughter refer to Lady Gwendolen Cecil, *Life of Robert, Marquis of Salisbury* (London: Hodder and Stoughton, 1921) and *Biographical Studies of the Life and Political Character of Robert, Third Marquis of Salisbury* (private publication).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

particular English upper and middle-class tradition, to which the symbolic death blow was surely given by the *schwaermerei* following the death of Princess Diana:

> Though by no means without strong emotions of his own, his incapacity or his dislike for displaying them made them rarely if ever contagious. This was particularly the case with his moral emotions to which he rarely if ever gave public expression. When such reserve was criticised in his presence he defended it by asking whether his critics would consent to appear naked before their fellows—'there is a sense of moral decency which is quite as natural and defensible as the sense of physical decency.'

Although himself a very good public speaker, Salisbury greatly distrusted public rhetoric. He wrote almost admiringly in the *Quarterly Review* of how Lord Castlereagh—the great foreign minister during and immediately after the Napoleonic Wars, and Salisbury's own role model—was a hopelessly bad public speaker:

> The House [of Commons] had been strung by danger to a higher tone than that of literary fastidiousness. It looked in its leaders for something more sterling than the glitter of eloquence; and it was content to condone the metaphors over which Lord Brougham and Mr. Moore made themselves so merry. Lord Brougham has himself confessed in later times that those who held Lord Castlereagh cheap on account of his style of speaking, cast rather a reproach upon representative government, which ranks eloquence so high among a Statesman's qualifications, than upon him.

Salisbury's fundamental distrust of democracy made him at first a leading opponent of the decision of the Conservative government under Benjamin Disraeli to introduce the 1867 Reform Bill widening the electorate. He resigned as secretary of state for India in protest against this initiative, but returned to the same post after the Conservative election victory seven years later. In 1878, he was made foreign secretary at the height of the international crisis resulting from the Russo-Turkish War—which he helped prevent becoming as well an Anglo-Russian War—and held this post until the Conservative defeat in 1880. On Disraeli's death, he became joint leader of the Conservative Party (with Sir Stafford Northcote), and in 1885, after defeating Gladstone and the Liberals, he formed his first government as prime minister. He also kept for himself the post of foreign secretary, which he was to retain in his subsequent governments.

Salisbury is best remembered for presiding over a vast expansion of the British Empire in Africa, though as far as his own motives were concerned, this expansion was not for its own sake but to forestall rival European empires and to defend existing possessions, especially in India and Egypt. Indeed, as J.A.S. Grenville reminds us, he referred frequently to the pointlessness of acquiring "malarious African deserts."[2]

At the time, the period of his ascendancy was dubbed that of the British Empire's "splendid isolation", and has been seen in retrospect as the very apogee of British power and self-confidence. But, in reality, throughout these last decades of the nineteenth century British policymakers were frightened (often indeed irrationally terrified) of external threats, and from the mid-1890s on the decline of British economic power relative to that of Germany and the United States became a constant theme of public debate. Salisbury was prime minister in 1897, at the time of that greatest ever display of British imperial splendor, Queen Victoria's Diamond Jubilee. But only two years later the initial British defeats in the Boer War revealed deep weaknesses both in the British army and in the Empire's capaci-

[2]All quotations from J.A.S. Grenville are taken from *Lord Salisbury and Foreign Policy: The Close of the 19th Century* (London: The Athlone Press, 1964).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ty for military mobilization—weaknesses that were to appear again in both the world wars of the twentieth century. In 1902, shortly before his retirement, Salisbury (who was never an isolationist and knew that Britain always had to interest itself in European developments and dangers) heralded the end of "splendid isolation" by drawing up a treaty with Japan, the first of the international commitments that in 1914 were to help take Britain into the major European war that he had worked all his life to prevent.

At home, under his leadership, the Conservatives were to control the government for all but four of the twenty years from 1885 to 1905. It was this period that laid the basis for the Conservatives' subsequent image (in their own eyes and to some extent in reality) as Britain's "natural party of government", founded in their ability to appeal to a mass electorate on the basis of patriotism (and imperialism), low taxes, public order, traditional morality, and a combination of support for moderate progressive measures (mass education and the beginnings of social welfare) and opposition to radical reforms.[3] A stereotypical view of Salisbury has him as "the aloof, sceptical inheritor of a great name and a famous house, standing rock-like in the advancing tide of democracy."[4] In fact, the domestic record of the governments over which he presided is more an example of how an apparently hopeless conservative rearguard action, if carried out with sufficient courage, skill, and flexibility, can in the end become the vanguard of a victorious new advance.

## *Against Ireland*

THE CONSERVATIVE Party, however, triumphed above all because of its opposition to Home Rule for Ireland. Gladstone had swung round to support for Home Rule in 1885, splitting the Liberals and sending a large portion of them into Salisbury's camp in the process. While most of the great political controversies in which Salisbury was involved have long since vanished, the Conservatives' ruthlessly successful campaign against Home Rule remains bitterly controversial to this day—and understandably so, given the bloody character of the century of Irish history that has followed. With hindsight, it is easy to argue that while Salisbury may well have been right in thinking that Home Rule would inevitably lead sooner or later to Irish independence, civil war, and the fatal undermining of the British Empire, nothing could in fact have been worse for Britain or Ireland than the rebellions and ethnic and political strife that actually occurred from 1916 on.

Nonetheless, one's judgment of Salisbury's policy depends largely on whether one believes that the Protestant Unionists of Ulster were so violently opposed to domination by Irish Gaelic Catholics that they would have fought against Home Rule even if abandoned by all the main parties in London. As Conor Cruise O'Brien and others have pointed out, Irish nationalists have always preferred to believe that the Ulster Protestant political identity, in its anti-Catholic and anti-Irish nationalist aspect, was simply the product of "manipulation" from London. But as I have myself pointed out in these pages, such manipulation, while all too real in this as in other cases, can only work if the material for it is already present.[5]

Salisbury's own views on the subject are worth quoting because they challenge a fundamental set of interlinked American beliefs

[3]For overviews of the Salisbury era, see Richard Shannon, *The Crisis of Imperialism, 1865-1915* (St. Albans: Paladin, 1976), and E.H.H. Green, *The Crisis of Conservatism: The politics, economics and ideology of the British Conservative Party, 1880-1914* (London: Routledge, 1996). A selection of Salisbury's own writings is to be found in Paul Smith, ed., *Lord Salisbury on Politics* (Cambridge: Cambridge University Press, 1972).

[4]Robert Blake, *The Conservative Party from Peel to Churchill* (London: Eyre and Spottiswoode, 1970), p. 132.

[5]Anatol Lieven, "Qu'est-ce qu'une nation?", *The National Interest* (Fall 1997).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of our own time, beliefs which have thoroughly befuddled U.S. analyses of several important developments and helped fund an infinity of "International Relations" seminars: that national self-determination is an absolute right rather than one that needs to be heavily qualified by other competing considerations, including minority rights, internal stability, and international security; that democracy automatically leads to international peace; that democratic institutions in and of themselves contribute to harmony between different ethnic groups living in the same territory; and that the natural course of every nation's history, when not diverted by wicked individuals, is toward a frictionless free market democracy. This optimistic faith is useful in that it is an important source of American international self-confidence and is a key part of U.S. ideological hegemony—just as in Salisbury's time a British belief in the superiority of their institutions and culture was an indispensable foundation of empire. It is, however, often a very poor key indeed to understanding what is actually happening in the world. In Salisbury's own memorable words:

> The optimist view of politics assures us that there must be some remedy for every political ill, and rather than not find it, it will make two hardships to cure one. [But] is it not just conceivable that there is no remedy that we can apply to the Irish hatred of ourselves? That other loves or hates may possibly elbow it out of the Irish peasant's mind, but nothing we can do by any contrivance will hasten the advent of that period. . . . There is no precedent, either in our history or in any other, to teach us that political measures can conjure away hereditary antipathies which are fed by constant agitation. The free institutions which sustain the life of a free and united people, sustain also the hatreds of a divided people.[6]

The fact that Salisbury himself might well be accused of contributing to the "constant agitation" on the other side does not diminish the force of his argument. Moreover, it could well be argued that the contemporary peace process in Northern Ireland bears out his words. Formally, the critical factor in its tenuous success has been its quasi-democratic constitutional provisions, intended to secure the interests of both communities (but guaranteed in the end not by democratic elections but by British military power). Far more important in reality, however, have been the gradual cultural and social changes of recent decades—due above all to economic development in the Republic of Ireland—which have gradually undermined traditional loyalties, stereotypes, and hatreds. Whatever the mistakes and occasional crimes of British rule over the past two decades, British forces did at least prevent civil war and "held the ring" while these positive changes occurred.

## *Against Humbug*

SALISBURY'S WORDS about "Irish peasants" might suggest a stereotypical English colonialist bigot, but in the context of his time nothing could be further from the truth. In nineteenth-century Britain, it was usually not the aristocracy but the most "liberal" and "progressive" politicians who were most ruthless in their attitudes toward "backward" peoples and states, to British treaty obligations, and to traditional diplomatic restraints and conventions. This was precisely because their belief in their own righteousness made it impossible for them to imagine that any opposing state or people could have legitimate interests at all, or that traditions and laws could take precedence over their vision of morality and progress as carried on the back of British military and economic hegemony. The arrogance and hypocrisy to which this habit of mind gave rise contributed more than anything else to

[6]Salisbury to Lady Manners, October 1872, quoted in Robert Taylor, *Lord Salisbury* (London: Allen Lane, 1975), p. 39.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the hatred directed so widely against England—a fact that contemporary Americans would do very well to ponder.

Salisbury himself was too genuinely skeptical and honest a thinker to entertain any automatic belief in British righteousness. As a conservative nobleman convinced—with reason—that his own world was gradually sinking under him, he had an instinctive sympathy for defeated traditional peoples. In his early journalism, he repeatedly denounced the atrocities and land-grabbing by white settlers in New Zealand and North America in the name of "Christianity" and "progress." He wrote scathingly that, "Seizing a coloured man's land and giving it to a white man is an operation now generally known as the progress of colonisation." Again:

> [The settlers in New Zealand] are clamouring now . . . for a general and systematic 'opening of the waste lands to colonisation.' As far as right goes, there are no waste lands, and they might as well talk about 'opening' the Duke of Bedford's park to colonisation.[7]

And yet again, in the *Saturday Review* of 1863:

> On the settlers' side, the 'damned nigger' principle with which we are so familiar in India and the United States, is showing itself more and more distinctly through a thin veil of commonplace professions. It is easy to see, by the tone of argument employed, that treaties and the rights which rest on them are looked on as of very small account compared to 'the advance of civilisation' and the 'prevalence of the stronger race.'

He later wrote, too, that racism "belongs to that phase of British temper which in the past few months has led detachment after detachment of British troops into the most obvious ambuscades—mere arrogance." He took the same dismissive view of British politicians who expected other countries to make concessions to Britain simply because of its evident moral righteousness.

Closely related to these feelings was Salisbury's dislike of the "gunboat diplomacy" sometimes practiced, and more often threatened, by the Liberal Prime Ministers Lord Palmerston and Lord John Russell in the mid-nineteenth century. He thought that the latter in particular had undermined British prestige by bullying weak nations, while backing away from confrontation with stronger ones after first hurling empty threats (as had been done with Russia in 1863, during its suppression of a Polish rebellion). "It is only when the two qualities of heroism and meekness are cunningly combined that they earn unmitigated contempt", he wrote of Russell. Salisbury hated war, but he was nonetheless, as his daughter wrote, "primarily a fighting animal", and the principle that "if you draw a gun, kill a man" would have been akin to his spirit. "Are you prepared to fight? Because if not you had better hold your tongue" was a favorite rebuke to colleagues who wanted to take a high line with some foreign state.

Salisbury was also well aware, and bitterly ashamed, that on several occasions (as in the case of the Poles and also that of Denmark in its conflict with Prussia and Austria over Schleswig-Holstein) British blustering and promises of support had led other threatened states or peoples to take a harder line of resistance than they would otherwise have done, out of a belief that, in the end, Britain would fight for them. This proved not to be the case, as it has proved not to be the case with a number of peoples who have been led to believe in the availability of U.S. military aid in recent times. According to his daughter, Salisbury "never used language of menace or of encouragement without having first, so far as he was able, reckoned up the cost of translating it into action, and without having come to the conclusion that it was a cost that he was prepared to meet." In the words of Grenville,

---

[7]Bentley's *Quarterly Review*, II, 1859, quoted in Michael Pinto-Duschinsky, *The Political Thought of Lord Salisbury* (London: Constable, 1967), p. 83.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> Bluff played no part in the conduct of Salisbury's diplomacy. A policy based on so false a foundation, he was convinced, was bound to lead to disaster. He therefore insisted on knowing exactly whether Britain's military strength was equal to support whatever policy happened to be under discussion.

He strongly criticized the instinctive belief among both diplomats and democratic politicians that substantial results could be achieved through clever use of language, soothing public speeches, or clever bargaining tricks. "Substantial results", he believed, "must always be paid for."

Salisbury's honest awareness of the real basis of Britain's empire in any case made him hesitant about supporting the national independence movements in other imperial systems, or taking too high-minded a view of other countries' imperial sins, whether Austrian, Turkish, or Russian. He was thoroughly hostile to the theory of national self-determination, however much it was wrapped up with ideas of progress and enlightenment. In his words,

> An answer [to arguments for national self-determination] is only possible where there is some common ground to start from, some principle equally acknowledged on both sides to refer to. The modern theory of nationality is safe from refutation. The blows of argument fall harmlessly on its insubstantial forms.[8]

Most British politicians at the time, and all too many British historians in the years following, saw no contradiction in damning Russian rule over Poland while finding elaborate justifications for British rule over Ireland in terms of "progress" and law. Salisbury, by contrast, wrote frankly that, "Ireland must be kept, like India, at all hazards, by persuasion if possible, if not by force." Of Castlereagh's use of corruption to bring about the union of the British and Irish parliaments in 1801, he wrote,

> The independence of the Irish parliament was a position from which it was absolutely indispensable to dislodge the enemy if the integrity of the empire was to be preserved [against attacks from Revolutionary and Napoleonic France]. It naturally never occurred to him that he was doing anything contrary to morality or honour in bribing the enemy to open the gates.[9]

It would be wrong, however, to regard Salisbury as gratuitously ruthless or indifferent to the sufferings of oppressed peoples—British repression in Ireland in his time was not too harsh in comparison with that practiced by other empires then or now, and he did more (or tried to) to prevent Turkish massacres of Armenians in the 1890s than any other European statesman of the day. But attempts to tie British foreign policy to moral crusades against particular states or regimes infuriated him on several different levels. He was aware of the hypocrisy—the humbug—of Britain taking such stands, both given its own past (and sometimes present) history, and because of all the cases in which it had to turn a blind eye to cruelties committed by an ally. Moreover, as already noted, he hated all public displays of moral and religious sentiment—which is one reason why he disliked Gladstone so much, although the two were actually very close in terms of their fundamental religious values.

Salisbury was well aware, too, of how many of these crusades were in fact picked up by opportunist politicians, bored literary figures, and second-rate academic hacks who at heart didn't give a tuppenny damn for the well-being of the peoples concerned. Writing in his famous essay on Castlereagh about the British liberal agitations in favor of various European national revolutions in the 1820s, he said:

> There were plenty of 'causes' about the world at that time, concerning which associations agitated, and young men raved, and poets published spirit-stirring stanzas. But, except as they might influ-

[8] *Quarterly Review*, vol. III, January-April 1862, p. 221.
[9] Ibid, p. 204.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ence votes in the House of Commons, these exciting movements did not affect Lord Castlereagh. It was this impassibility which worked so badly for his fame. It was an affront and an offense to the literary class, by whom these enthusiasms were chiefly fed, and who on secondary points and for a certain space of time have the power of mobilising public opinion at their will. He might have maintained his policy with impunity, if in his speeches he would have done readier homage to the liberal catch-words of the day.[10]

Finally, Salisbury well recognized the potentially fatal element of volatility and irrationality that such campaigns introduced into British policymaking. From the 1820s to the 1850s, British support for national independence movements in Italy, Hungary, and elsewhere horribly complicated relations with Austria, Britain's oldest major ally and the only European great power from which it had nothing to fear. This in turn served to strengthen France, Russia, and in due course a Prussian-dominated Germany. Again, in the 1870s public anger (however justified) at Ottoman Turkish atrocities against Bulgarians and others made it much more difficult both to reform the Ottoman Empire and to resist the expansion of Russian power at Turkey's expense. Thus, wrote Salisbury's daughter,

At the time of the Constantinople Conference [of 1876] he complained bitterly that he had been sent to do business without either money in his pocket or a sword in his hand. He would have been willing to have used either—to have offered the Turks a conditional alliance against all comers, or to have joined Europe in a scheme for practical partition. The first policy was rendered impossible by the feeling stirred in England during the Bulgarian agitation of 1876, the second by the Turco-philism of his colleagues and party.

Throughout the period, too, hypocritical denunciations of Russian imperialism exaggerated British fear and hatred of Russia, and risked pushing Britain into unnecessary conflicts, mistaken and expensive military deployments, and potentially disastrous anti-Russian alliances. Russophobes (then as now) had to tie themselves in knots to explain why Turkish atrocities were not so atrocious after all, and why Russian expansion in Central Asia was somehow more inherently imperialist than British expansion in South Asia or Africa. As for Salisbury, his daughter continued,

His national sympathies and antipathies were clearly defined but on more than one occasion I have been struck by his entire independence of them in action. When a question was at issue between two powers he would be quite as likely to exert himself diplomatically in opposition to the cause which his sentiments favoured as in support of it. I think indeed that he would have been rather puzzled by the expression of any expectation that he should do otherwise. He would as soon have thought of modifying his plan in a game of chess on account of his dislike of the pattern of one of his opponent's pieces.

This model of unsentimental professionalism is one that a U.S. secretary of state above all needs to follow, precisely because so many powerful lobbies in America—and even within the State Department—have as their primary purpose to shape U.S. policy to suit their own ethnic and other priorities and prejudices. For the pressure of such lobbies will not matter much as long as those at the top themselves share Salisbury's clear, hard-headed, and patriotic sense of their own country's real interests in any issues at stake.

## *No Fixed Enemies*

IT WAS IN the steady, unflappable nature of his response to both the Russian and the French challenges to British influence that Salisbury performed his greatest service to British foreign policy—for on several occasions, over-reaction could have led Britain into either an unnecessary war or

[10]Ibid, p. 229.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

an unnecessary and dangerous alliance. To maintain this calm course, Salisbury had to ignore not just the alternating waves of moral fervor and jingoism in the British Parliament, press, and public opinion, but also at times the advice of his own military experts. In this he was greatly helped by the strength of his character as well as by the independence of his mind. His daughter writes:

> The fact that colleagues or friends or party, the public opinion of his class, his country or his age, took any particular view seemed to leave not the slightest impression on the judgement at which he himself arrived. Such a fact was a force to observe and to reckon with but in his eyes had no other relevance to the question at issue. . . . His impulse towards concentrating his attention on the real facts of a problem or of a situation was immediate and instinctive. While others were discussing as it were the clothing of a question, or trying to accommodate its developments to some general theory of their own, his mind would travel straight towards the discovery of the actual realities that underlay it.

It is worth remembering, as a variety of professional geopoliticians throw themselves into a supposed new round of the "Great Game" for Central Asia, just how empty of real importance was the original "Game" between Russia and Britain. It is not just that in the end, when they were faced with the growing threat from Germany, both countries were able to resolve their differences in the area with remarkable ease. More important is the fact that the supposed Russian military threat to India was always essentially a chimera. In order to breathe life into this mythical beast, British generals, officials, geopoliticians, and journalists resorted to a whole battery of conscious and unconscious falsifications, some of which are all too familiar from the security debates of our own time. They exaggerated both Russian military strength and Russian aggressive intentions; they exaggerated the closeness of the Franco-Russian alliance; they howled about Russian imperialism while ignoring the fact that the British Empire in India was not exactly an indigenous product; they predicted that the slightest military reverse would lead to a massive Indian revolt; they stressed the appalling logistical difficulties British troops would face if deployed in Afghanistan (while ignoring the fact that the same obstacles would face the Russians); they hypothesized that Russia would be able to build railways across the Afghan mountains at the same rate as across the Russian plains; and so forth on and on.[11]

Salisbury reserved some of his most withering sarcasm for this kind of military paranoia. He declared famously that the alleged Russian presence within an easy march of the Indian border was the result of British generals "using maps with too small a scale", and said that if the generals had their way, they would have him "fortify the moon against an attack from Mars." His calm and realistic assessment was amply borne out by Russian imperial military defeats in the years that followed, and later by evidence of the difficulty of conducting large-scale, modern military operations in Afghanistan.

Similarly, his refusal to overreact to French imperial moves in Africa was thoroughly in tune with Britain's real interests. It reflected original and accurate perceptions: that Russia would never fight for the French empire in Africa any more than France would fight for Russia in Asia; and that under all the jingoist

[11]For the later stages of the debate on the Russian threat to India and British responses, see Max Beloff, *Imperial Sunset: Britain's Liberal Empire, 1897-1921*, vol. I (New York: Alfred A. Knopf, 1970), pp. 20-5, 31-9; Aaron Friedberg, *The Weary Titan: Britain and the Experience of Relative Decline, 1895-1905* (Princeton, NJ: Princeton University Press, 1988), pp. 212-80; and David Gillard, *The Struggle for Asia, 1828-1914* (London: Methuen, 1977). For the mid-nineteenth century origins of the particular British fear and dislike of Russia, see John Howes Gleason, *The Genesis of Russophobia in Great Britain: A study of the interaction of policy and opinion* (Cambridge, MA: Harvard University Press, 1950).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and imperialist propaganda what European peoples really cared about were immediate threats from their neighbors in Europe. This steady approach helped save Salisbury from backing Joseph Chamberlain and others in their desire for a formal alliance with Germany to combat the alleged Franco-Russian threat—something that would in the end have placed first Europe and then the British Empire under German hegemony. Salisbury's policy left England free eventually to conclude the ententes with France and Russia that resisted Germany in the First World War.

Salisbury's distrust of alliances was in part the reflection of an old English prejudice, but it also reflected both personal honor and, more surprisingly, an acute sense of the limits that democracy placed on a British government's ability to make—or rather to keep—major foreign commitments. Grenville observes:

> Salisbury was opposed to signing alliances precisely because he was not certain that a British government at some future date would honour its provisions. . . . Another principle important to an understanding of Salisbury's diplomacy was the belief that, in the last resort, the English people and not the cabinet were the arbiters of foreign policy.

This sense underlay a great deal of his—perhaps sometimes excessive—diplomatic caution. For Salisbury realized that while the English people would fight over an issue that really touched their pride or their vital national interests—as they did in both 1914 and 1939—it was very dangerous to mix up this capacity for national courage and resolution with the foreign policy agitations and enthusiasms of particular lobby groups, whether liberal, imperial, or both.

This too is something well worth bearing in mind today, given the even greater sluggishness of the great mass of the American people when it comes to foreign policy issues. It is precisely this lack of interest that allows small groups of activists from time to time to impose their will on U.S. policy. But woe betide them if they think that by doing this they can determine how the American people will behave when real commitments and sacrifices have to be made, if the issues at stake do not really and obviously touch America itself. This was a mistake that Salisbury, supposedly the most aloof and least democratic British prime minister of the past 150 years, never made with regard to his own people, and for this alone he would be worth remembering. □

## *An Unprecedented Transition*

So great is Russia's economic and thus social catastrophe that we must now speak of another unprecedented development: the literal demodernization of a twentieth-century country. When the infrastructures of production, technology, science, transportation, heating and sewage disposal disintegrate; when tens of millions of people do not receive earned salaries, some 75 percent of society lives below or barely above the subsistence level and at least 15 million of them are actually starving; when male life expectancy has plunged to 57 years, malnutrition has become the norm among schoolchildren, once-eradicated diseases are again becoming epidemics and basic welfare provisions are disappearing; when even highly educated professionals must grow their own food in order to survive and well over half the nation's economic transactions are barter—all this, and more, is indisputable evidence of a tragic 'transition' backward to a premodern era.

—Stephen F. Cohen, *The Nation*, September 7/14, 1998



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# City of Bad Omens

## Robert Elegant

AS EVERY schoolboy would once have known, traditionally the Chinese have believed that a dynasty reigns because it has been vouchsafed divine approval—the Mandate of Heaven. According to this belief, extensive natural or man-made catastrophes demonstrate that the Mandate has been revoked, and that the reigning dynasty will soon fall. Natural catastrophes began in Hong Kong the instant the regime appointed by Beijing to succeed British rule took office in July 1997.

It rained continually for months. Landslides swept away buildings and imperiled lives. The people slipped into dejection under the seemingly endless rain pelting down day after day. The business slump had already begun and was soon to dip—and then plunge—further. But initially it was the weather, not the economy, that depressed the people of the new Special Administrative Region (SAR) of the People's Republic of China.

That was not a good start. Neither was it the end.

A few weeks later, Hong Kong was afflicted by a virulent influenza carried by a virus that could leap from its normal habitat in chickens or ducks to human beings. Naturally fearful, the government ordered millions of fowl destroyed. The mass slaughter, which all but impoverished poultry breeders and traders, was not carried out adeptly. Stray dogs and cats gnawed and clawed at black refuse sacks containing dead chickens, as well as some that were not quite dead. Highly efficient under British control, the Hong Kong Civil Service made a mess of that essential execution under Tung Chee-hwa's aegis.

Still another natural disaster struck early in 1998. Hong Kong's inshore fishing had already been curtailed by noisome pollution and by competition from Japanese, Taiwanese, and Korean boats. Nonetheless, Hong Kong's trawlers and motorized junks were still finding good catches not too far away. Then came the "red tide", a flood of scarlet algae that poisoned innumerable fish and imperiled the industry. Within two months fifty to sixty people were struck by the virulent enterovirus called Taiwan flu.

A man-made catastrophe, however, was to all but eclipse nature's malign deeds. A new airport some twenty miles away was built at great speed to replace the dangerous and inadequate old airport at the center of the city. Costing more than $20 billion, it is, after Japan's Kansai Airport, the most expensive in the world. Originally scheduled to begin operations in mid-July, it was prematurely commissioned so that President Jiang Zemin could be the first traveler to set down—and thus mark the first anniversary of Hong Kong's acquisition by China. Opened to normal traffic on July 6, it was so spectacularly incompetent that air cargo to and from Hong

Robert Elegant, who speaks and reads Mandarin, has written extensively on China in novels and nonfiction for almost five decades. He lived in Hong Kong for twenty years.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Kong had to be suspended for more than a week, at a cost of around half a billion U.S. dollars. Even more gravely, given the nearly simultaneous opening of competing new airports nearby in Macao and Guangzhou, the dismal spectacle severely undermined Hong Kong's reputation for brisk efficiency.

What, then, Hong Kong's people asked, of the Mandate of Heaven? What indeed. To see ahead, let us start by looking back.

IN THE FIFTH DECADE of the nineteenth century, Britain took the island called Hong Kong from China at gunpoint. In the last decade of the twentieth century, China took back from Britain, by *force majeure* if not directly at gunpoint, not only Hong Kong Island but the small Kowloon Peninsula, which had been seized later, and the broad New Territories, which had been leased for ninety-nine years in 1898. In none of these exchanges was the indigenous population asked its view. Nor were its interests seriously considered. In each case, too, the transfer of sovereignty ran counter to the wishes of the majority of the inhabitants.

The few thousand part-time fishermen part-time pirates using the island in 1840 preferred the nominal rule of the Manchu Dynasty in far distant Beijing to the meddling British. In 1898 the tens of thousands in the farming villages of the New Territories were not eager to exchange ineffectual Chinese rule for British intrusiveness. In 1997 the well over six million Chinese living in the Crown Colony of Hong Kong were happy with the highly effective and low taxing British administration that had made Hong Kong prosperous even by the standards of economically buoyant Asia. They also cherished civil order based upon general consent rather than coercion, as well as a degree of intellectual freedom and expression rare in authoritarian Asia. Opinion polls, and the belated introduction of a measure of democracy by the Colony's last British governor, affirmed as much. In 1995 the people of Hong Kong elected legislators sworn to resist communist tyranny. Three years later they humiliated Beijing's candidates in the first legislative election under China's sovereignty, indeed the first free election on mainland Chinese soil since the communists established the People's Republic in 1949.

Most communist leaders would have preferred a Hong Kong that continued to serve their economic interests by providing financial services and large sums of foreign money. But, above all, they wanted a Hong Kong that would not imperil their hold on power through its constant example of a more relaxed, more free, and much happier political entity next door to the mainland they ruled so harshly. Still another imperative impelled Beijing to demand the return of all Hong Kong when the lease on the New Territories expired on June 30, 1997. The sting of the humiliation and depredation inflicted on China by foreign powers from the early nineteenth century onward could only be salved by reclaiming every inch of territory that had once been Chinese. Aside from Hong Kong, minuscule Portuguese Macau was the only other foreign enclave remaining. Since it was effectively under Chinese rule already, formal reversion was less pressing. Taiwan presented a different kind of challenge—already under Chinese rule but not Beijing's suzerainty.

Hong Kong, the very first and the most conspicuous of the territories Britain had stolen from China, *had* to be reclaimed to expunge the shame of the past. And it had to be reclaimed no later than July 1, 1997, lest it appear that Beijing was truckling to London.

A VERY SENIOR and very influential British diplomat assured me years ago that Hong Kong would not suffer as a result of the disorder he correctly foresaw in China, but would remain prosperous and happy after it came under Chinese rule. He was wrong. The mood in Hong Kong is now sour and pessimistic.

Such diplomats—and many in the business community—still insist that such dejection is largely the fault of Chris Patten, the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

last British governor, who was not one of them but a politician. Patten, they say, aroused false expectations by introducing a measure of democracy. But, they contend, the autocratic rule of previous London-appointed governors had nurtured a populace that was contented, docile, and "not interested in politics." If Patten had not interfered, the argument continues, Hong Kong would today still be a happy land. The discontent and political demonstrations that regularly test the authority of the Beijing-appointed government of the SAR would never have arisen.

Besides, this school of thought would add, the depressed state of Hong Kong today is due not to Beijing's rule, but to the fiscal crisis that has shaken all of East Asia from South Korea to Indonesia. Hong Kong's blues are economic, nothing more. That contention, however, is only half of a half-truth.

The Hong Kong economy was depressed even before the Asian downslide. The proprietor of a shop selling linen and embroidered garments replied glumly when I asked how his business was doing, "I haven't made the smallest profit since July 1st '97. Just losses all the way—and getting worse. I can't even cover the rent." A campaign to reduce greatly inflated business rents by 40 percent has been overtaken by events. But he added, "Forty percent reduction wouldn't be enough. I'd still go broke."

The old Pedder Building houses factory outlets and other cut-rate shops. All now display signs offering even greater bargains, which literally translated from the Chinese is "Great Price Cutting." By changing one of the three words, one shop has made its come-on read "Great Bloodletting! Eighty percent off!"

For the beginning of Hong Kong's economic stagnation the fall in tourism is largely to blame. The number of visitors has fallen by more than 50 percent since July 1, 1997, a slump caused by both the change in Hong Kong's political status—as witness the many empty hotel rooms the week of the handover—and by the Asian recession, which is keeping many Asian tourists at home.

But general dejection also reflects a peculiar Hong Kong psychology. Most people still repose greater confidence in Great Britain—now a small, far away, third-rate power entangled with the European Union—than they do in their presumed motherland, a colossal resurgent power on their doorstep. A majority of Hong Kong's people are either themselves refugees from People's China or descendants of refugees. During the decades I lived in the Crown Colony I found it hard to discuss China with them. They automatically disbelieved Beijing's every statement and discounted its every achievement. Their fixed conviction: "The communists only know how to lie!"

Manifestly, and however much they look alike, the people of Hong Kong are not only different from their presumed compatriots across the border, but are alienated from China. Once, in Shanghai, I fell into conversation with two men whose features were wholly Chinese, although their clothing, their confident demeanor, their command of English, and their obvious prosperity set them apart. Both were from Hong Kong. I realized after exchanging a few sentences that they were referring to the Shanghailanders as "they" and to the three of us from Hong Kong as "we", regardless of my not being Chinese at all.

In an oddly upside-down way, I recently encountered similar scorn. The common language of Hong Kong is a Chinese dialect called Cantonese. To my shame my Cantonese is poor despite all the time I've spent in Hong Kong. I therefore spoke to a non-English speaking salesman in Mandarin, which is known as *putunghua*, the common language of all China. He retorted in Cantonese, "Don't talk that language to me. I'm not Chinese. I'm a Hong Kong man!"

The alienation, all but antagonism, between mainlanders and Hong Kong people has been aggravated rather than allayed by the Colony's transformation into an integral part of the People's Republic. Immigration policy is one reason. The border between the New Territories and Guangdong Province was for



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

five decades closely guarded to keep out "illegal immigrants", that is, refugees from China. Yet many slipped across, in part because the heart of the largely British-officered Hong Kong Police was not really in the assignment. Today the border is more closely watched, and much less permeable. Beijing does not want an influx of mainlanders seeking a better living standard and greater freedom in Hong Kong. Above all, Beijing does not want large numbers of mainlanders visiting Hong Kong and returning to compare conditions there with those at home.

Before the transfer, tourists and businessmen from China were readily distinguishable from the locals. Their clothing was shabby and badly cut, and their complexions were rather muddy. They also tended to be uninhibited, released, albeit temporarily, from harsh discipline at home. Even in free, easy, and very rude Hong Kong, the mainlanders were notably uncouth.

They still are. Looking for a particular trinket in one of the many gold shops that line Queens Road Central, I was jostled by twenty or so men and women who—even had they not been wearing plastic tags reading *Guangdong Province Tour Group*—were obviously mainlanders by their clothes, complexions, and behavior. All could afford the small solid gold objects they were eagerly pricing—and buying. Gold does not change in value as abruptly as fundamental situations can change in unstable China.

The group was shepherded by three older men wearing dark blue, high-buttoned Mao Tse-tung tunics, which are rarely seen even in China nowadays. When I began talking with a young man, one of those shepherds gently shouldered me aside. He was clearly not worried about my learning more about conditions in China; I can go to Guangdong and talk freely with most people any day. Although the authorities there would like to stop such spontaneous conversations, they cannot do so entirely without affecting trade, investment, and tourism, all big money spinners. Rather, it appeared, the man in the Mao suit was anxious to prevent his charges from learning more about Hong Kong. Still, he could not keep them from seeing prosperity unrivaled anywhere in mainland China.

DESPITE RECESSION, Hong Kong glitters with riches and throbs with commerce compared even with go-ahead Shanghai. But Hong Kong is now suffering a recession that is sliding fast toward a depression. The woes are by no means limited to the merchants and hoteliers who depend on tourist dollars. Everyone is singing the blues, and with good reason. By early August it had become clear that early predictions of economic trouble were too optimistic. Data showed that the economy had shrunk 2.8 percent in the first quarter of 1998, and was estimated to contract a full 3 percent in the second quarter. Release of that data, along with news that Hong Kong's major banks were in much worse shape than anticipated, sent stocks tumbling—which in turn completed the circle of economic gloom.

There are less transient explanations for Hong Kong's troubles as well. Little is manufactured there today. Almost all industry has migrated to China itself, lured by much lower wages and by greater latitude regarding working conditions. The chief money-maker in the SAR is money itself. Investment, insurance, banking, finance, and speculation bring in the big bucks. But employment in finance has fallen some 20 percent recently, and those who hang on to their jobs have been taking swingeing salary cuts.

Rents for luxury flats have not yet dropped decisively, but they are sagging. Domestic rents are faltering, instead of rising 20 to 40 percent on each renewal of a lease, as they did only recently. Firms that happily paid $12,000 a month or more for an employee's flat are now radically reducing such benefits or cutting them off entirely. Former beneficiaries of such largesse are looking for cheaper housing on offshore islands like little Lama, which had been virtually a hippie colony—by staid Hong Kong standards at least.

Overall property values are also falling,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

particularly commercial property. Hong Kong's formerly buoyant economy floated on inflated property values that allowed low taxation, which in turn attracted investment and the Asian headquarters of foreign firms. Taxes have so far only increased slightly. But the pledge by Tung Chee-hwa, Beijing's appointed chief executive, to build eighty-five thousand new flats for the underprivileged in each of the next three years, however meritorious, will certainly drive down rents and will probably require tax increases.

Good for the less well off *if* it really happens, the promised expansion of housing will not be good for the economy in general. Property values are already down 30 to 40 percent from their peak, and, to repeat, overvalued property has been the foundation of Hong Kong's prosperity. In order to prevent further steep decline, all sale of government land has now been suspended until March 1999. The government is the sole landowner in Hong Kong, leasing land to companies for extended periods of time, like 99 years, at very high prices. Therefore, high land prices underwrite low taxes, while declining land prices make higher taxes necessary.

All local trade is down for firms, except of course for essentials like food and funerals. Newspaper and magazine advertising has fallen sharply. And so it goes: a long, slow, funereal drumbeat. Optimists contend that the present shakedown will make Hong Kong much more competitive when the general Asian recovery occurs. That recovery is inevitable, though none can say when it will start or how far it will go. It will, of course, help Hong Kong greatly. But it will not heal the territory's fundamental malaise, for noneconomic woes beset the government of the Special Administrative Region.

THE HEART OF government in Hong Kong is its old Civil Service. Stripped of all but a few of its British members, it is, first, encumbered with an appointed executive arm that is inexperienced, impractical, and slavishly obedient to Beijing despite the pledge that "Hong Kong people will rule Hong Kong!" Second, it is encumbered with a timid judiciary that has ruled itself out of cases presenting issues that could affront Beijing; the highest court is specifically forbidden to try any case involving politics, which can mean anything Beijing wants it to mean. Third, Hong Kong was encumbered with an appointed legislature that is hardly representative—and is now encumbered with a legislature "elected" under various circumstances that prevent true representation.

Tung Chee-hwa and his sycophants have repeatedly asserted that Hong Kong enjoys real democracy for the first time, because the chief executive is no longer a governor appointed by Britain. He might just as well say, "Hong Kong people aren't interested in politics, only in making money!" That reiterated justification long comforted those Britons who felt a twinge of guilt at the arbitrary, indeed despotic, way Britain ruled the Crown Colony for most of its 155 years. By and large, the virtually absolute British governors were benevolent, but they were still despots.

The lack of interest in politics was true—but chiefly for a small minority of the population, the well-to-do. The rich really didn't—and still don't—care who ruled Hong Kong or how it was ruled, as long as they were free to make money. They *were* left free, virtually untethered by law, for the Colony practiced almost perfect economic laisser faire—and profited greatly thereby. However, the efficient execution of the vital functions of government, which said government reserved to itself, and the impartial administration of British justice provided by independent courts, were essential to Hong Kong's growth. Within that secure framework the ingenious, hard-working, and risk-taking native Chinese population transformed that "barren rock with hardly a house on it" described by Lord Palmerston in 1840.

All the people were interested in making a good living; the mass of the people was also vitally interested in practical politics. The emerging middle class, the managers, the pro-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fessionals, the shopkeepers, the artisans, and even the workers had a stake in basic fairness, stability, and lawfulness. It was precisely their vital concern with politics that in 1989 first alarmed Beijing, which in its doctrinaire ignorance had thought the people of Hong Kong little different from the people of China.

Ironically, the event that put Beijing on its guard demonstrated strong sympathy between the people of Hong Kong and the mainlanders whose interest in democratic politics Beijing sought to crush. In 1989 Hong Kong was profoundly moved by the June 4 massacre in Beijing of students and workers campaigning for democracy, and by the persecution of all dissidents, however mild, throughout China. A million men and women gathered in a candle-lit vigil in Hong Kong. Such vigils on a somewhat smaller scale have occurred every year since, including 1998. Hong Kong was until July 1, 1997 a haven for refugee dissidents and provided funds for their movement. Naturally, Beijing is determined to crush that independent spirit.

The people of the Crown Colony of Hong Kong again proved themselves vitally interested in politics in 1995, when the second legislative election in its history took place. Twenty of the sixty seats were to be filled by direct public election, twenty by the governor's direct appointment, and twenty by "functional constituencies", which meant groups demarcated by occupation. That election was a further step toward democracy, not a great leap. Governor Patten, who would have liked a far more democratic election, was constrained by the diplomats' prior agreement with Beijing that only a third of the legislators would be directly elected.

Still, some 35 percent of those eligible came to the polls—and voted overwhelmingly for the Democratic Party of barrister Martin Lee. He stood for increased democracy and for vigorous resistance to the encroachment on freedom that he foresaw when Beijing took power in July 1997. The Democrats could do nothing about the handover, of course. That was an irreversible *fait accompli*. But the elections did show Beijing that most of the people did not want Chinese rule.

That election and the legislature it produced were the centerpiece of the democratic innovations introduced by Patten. Those limited changes evoked the vehement protests of the Foreign Office clique dedicated to serene Sino-British relations at any cost. Those protests were echoed by both British and Chinese *taipans*—the big businessmen who have accumulated hundreds of millions, even billions, of dollars. Among the paradoxes of Hong Kong, the rich are for the communists, while the masses definitely are not.

Both the Foreign Office and the *taipans* are now busily chipping away at Patten's solid reputation in retaliation for his reforms, which they still contend have impeded Hong Kong's chief business—which is, of course, business. Both those groups had wanted a smooth transfer of sovereignty because they believed their own interests were best served by truckling to Beijing. Neither the diplomats nor the *taipans* could imagine that Beijing's suzerainty would signal an economic decline. They believed—or professed to believe—that the mass of Hong Kong's people would be just as well—if not better—off under Chinese rule. Yet from the very beginning the new regime was dogged by unforeseen problems that have severely impeded both general economic development and corporate profits.

The first was simply a problem of credibility. Even before the takeover, the government-to-be had declared the 1995 legislative election invalid and had appointed its own legislature in waiting. An elaborate and intricate process handpicked committees to select committees to choose committees that finally elected the legislators. That complicated mummery convinced no one that the legislature that took its seats on July 1, 1997 reflected the popular will. No more did the layers of committees that selected Tung Chee-hwa as chief executive carry conviction. Everyone knew that Tung had been chosen by President Jiang Zemin, who confirmed his choice by ostentatiously shaking hands with



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Tung under the television lenses long before the charade of selection by committee began. Tung was selected because he would do Beijing's bidding without question. He was, after all, indebted to Beijing. Having mismanaged his father's shipping fleet into near bankruptcy, he had survived by borrowing some $250 million through friends of the regime.

Nor did the procedure for electing a new legislature in May 1998 enhance the regime's democratic credibility. There were still sixty seats, and again only twenty were filled by popular election. Of the rest twenty were appointed directly, as under Patten's reforms, because the Sino-British agreement provided for such a procedure. Twenty were again chosen by "functional constituencies", associations of, say, gold traders, doctors, bankers, lawyers, and the like. So too had they been under Patten, because the Basic Law drafted by Beijing and the Foreign Office so provided. This echo of Benito Mussolini's corporate state was either not recognized as such or else failed to disturb the architects of the new Hong Kong, which was to be ruled by democracy Beijing style—essentially a more efficient and more invasive authoritarianism than Mussolini's fascism.

Nonetheless, the first legislative election after the handover was a stunning repudiation of Tung Chee-hwa's reign. In torrents of rain and with winds of near typhoon violence, a remarkable 53 percent of the general electorate turned out to choose the twenty legislators representing the general public. They returned fifteen candidates from Martin Lee's Democratic Party and its close allies. The remaining five came from the Democratic Alliance for the Betterment of Hong Kong, a mildly leftist, old-line labor party that does not truckle to Beijing. Although the voting pattern had been rigged to favor pro-Beijing candidates, not a single one was elected by the general public. In the functional constituencies, five more Democrats were chosen, although the number eligible to vote by occupation had been reduced from some 1.15 million to less than 150,000.

It was a smashing victory for the advocates of democracy and independence, a stinging repudiation of Tung and his puppet-masters in Beijing. In immediate practical terms it was something less. A majority of the sixty legislators will vote as Beijing directs, for the twenty appointed directly and the functional constituencies, largely the realm of big business, returned some fifteen pro-Beijing candidates. Martin Lee is now all but literally the leader of the opposition in communist China, since nowhere else in the sprawling nation is any opposition party tolerated. Of course, the SAR will continue to run as Beijing directs. But a spark of democracy will glow in Hong Kong until either Beijing stamps it out or until the Chinese capital itself changes even more radically than it is changing at the moment.

In the year 2002 a committee of eight hundred is to select the next chief executive, either Tung Chee-hwa or another equally subservient to Beijing. In 2007 the successive chief executive is supposed to be popularly elected, although Tung has already said he feels that may be too soon. He has also decried Hong Kong's excessive Westernization and restricted teaching in English, a measure originally planned by the outgoing colonial administration to facilitate the Sinicization of Hong Kong. Yet switching to Cantonese as the language of instruction is downright silly. Not only will graduates of the newly restricted schools not have mastered the international language, English, but they won't even be adept in Mandarin, China's common national language.

The press, radio, and television are already constrained, mostly the result of the fears of reporters and editors under pressure from proprietors. Such self-censorship is probably more effective that outright censorship, since it knows no bounds. Direct censorship has not been imposed, but the Chinese-language media are harassed. The frankly oppositionist *Apple Daily* has been charged with violations of employment laws and other non-journalistic offenses. The English-language press, the barometer by which most outside observers assess Hong Kong's politi-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cal weather, is still reasonably free of interference. But only a few regularly read the English press and they are predominantly foreigners who are mostly transients and thus don't really matter. But Radio Television Hong Kong, an editorially autonomous public entity rather like the BBC which broadcasts in English and Cantonese, has been fiercely attacked for failing to present government policy "positively." Hong Kong's new regime really cannot see the difference between a quasi-independent broadcasting service financed by the government and a wholly government-controlled service—no more than can Beijing.

DENG XIAOPING, China's paramount leader who died a few months before the handover he had enforced, made several promises to Hong Kong to sweeten the pill. He did so in part to save British face by fostering the illusion that London had successfully negotiated modifications of Beijing's original conditions, for the benefit of the people of Hong Kong. But his chief purpose was to reassure the people so that they would, as he advised, "set their hearts at ease." Deng did not want a frightened or agitated populace that would reduce a prosperous SAR's ability to spin money for the People's Republic.

Despite Deng's reassurances, tens of thousands of the emerging middle class fled each year from 1984 onwards. More would have left had they been able. They were quite right to doubt Deng's promises.

The paramount leader had guaranteed that Hong Kong's social and economic system would not change for at least fifty years after the handover. He had encapsulated his guarantees in a simple formula: *One country, two systems.* However, Tung Chee-hwa recently declared that whenever the two principles clashed, *one country* took absolute precedence over *two systems.* The principles clashed repeatedly during the first year of Tung's term. He further assured his own followers that dissenting voices on Radio Television Hong Kong would be silenced—all in good time. So would public demonstrations protesting government actions.

Such demonstrations, reasonably free at the beginning, are now much restricted. Four men have been convicted for demonstrating, two of them for defacing the scarlet flag of the People's Republic of China. Neither defacing the Union Jack nor public protest was an offense under "oppressive colonial rule." Beyond doubt, Beijing is gradually reducing Hong Kong to authoritarian servitude under cover of apparently moderate policies. We should have expected nothing else. Hong Kong cannot be allowed to become a threat to Beijing's absolutist rule of China by its example of a happier people under a more lenient government. But absolutism will be enforced "slowly, slowly", as Tung observed of the ultimate suppression of the media, electoral rights, and all freedom of expression.

Foreign influence has slowed that inexorable process—and could slow it further. Paramount is American influence, since President Jiang Zemin needs the public approval of the Clinton administration to enhance his personal prestige. American goodwill is also vital to China's industrial progress. But such influence can only slow the process. It cannot stop the smothering of the SAR's transient freedoms and residual prosperity. It cannot stop corruption either.

Tung's administration has been further marred by a general rise in crime, as well as public and private corruption. To be fair, armed robbery and bribery were already increasing under Patten's administration. Both were fueled then, as they are now, by the virtual immunity from prosecution of Beijing-owned corporations and by the alliance between the criminal secret societies of Hong Kong—the so-called Triads—and the officers of the People's Liberation Army in the nearby city of Guangzhou (the old Canton). The military have, among other transactions, sent thugs from Canton to Hong Kong to carry out crimes the Triads wished to subcontract.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Crime with roots in China is evidently widespread. The Independent Commission Against Corruption (ICAC), founded under the British to fight corruption originally in the police force, refuses to discuss cross-border issues. But then, the commission refuses to discuss any matter regarding its crusade, preferring instead to issue self-congratulatory press releases. Nonetheless, the ICAC is now much larger than it was several decades earlier—and it is still growing. There is self-evidently a need to fight growing corruption.

The ICAC's reticence may also be due to the fear the servants of the new regime feel regarding any revelation of any sensitive matter. And many matters are now sensitive that were not so under even the most discreet British governor. It is also whispered among those in the know that the Civil Service itself has now been corrupted, encouraged by the example of totally corrupt Chinese officialdom. Yet those who talk of such bribery may only believe they are in the know. Nonetheless, the fact that they believe and repeat such rumors is in itself significant. To say the least, the Beijing-appointed regime and its servants are not well regarded.

In China itself, the absolute authority of the Communist Party center is being continually undermined by the personal economic interests and the assertiveness of both officials and entrepreneurs in the provinces amid continuing economic liberalization. And, of course, Hong Kong money and expertise are vital to China's continuing economic development. Martin Lee of the Democratic Party therefore avows long-term optimism, perhaps to counter unavoidable short-term pessimism regarding the future of Hong Kong. He believes the changes already effected on the mainland by Hong Kong's influence will grow greater and will in time make the rulers of China less tyrannical.

He could be right. No one can deny the sweeping changes occurring in China, or the daunting dilemma its rulers face. As already noted, if they are to remain in power, they must deliver the material goods. Whipped up patriotism and the artificial idealism of Marxism-Leninism-Maoism are wasting assets, and even general suppression of all freedoms and the threat of "reform through labor"—or still harsher punishment like the constant drumfire of executions for crimes that are often political—can no longer keep the masses in line. Civilian officials as well as army officers are now members, even leaders, of extra-legal secret societies, and every new measure of economic liberalization effectively undermines the authority of the central leadership. Beijing is extending such relaxation while simultaneously intensifying ideology-based civil discipline. Such a self-contradictory policy simply will not work for long.

Nonetheless, the prospect of China's changing so radically as to affect its rule of Hong Kong benignly is still far distant. Rather, and paradoxically, the need to exercise autocratic control over the SAR may well grow as Beijing tries in vain to beat out the wildfires of domestic discontent. Beside China, Hong Kong is smaller than a mouse beside an elephant. But ideas and values have proved themselves more powerful than empires in the past. Presumably a mouse could in time induce an elephant to eat cheese if it were not trampled in the interim. But how long would it take?

While we wait to find out, the Communist Party closes its hand ever tighter on the Special Administrative Region of Hong Kong. Relentlessly, albeit gradually, the people are being deprived of the opportunity, the objective education, and, above all, the dignity and freedom they once enjoyed. Such an erosion of human rights is reason enough to deplore the present trend and to fear for Hong Kong's future. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# China Studies in McCarthy's Shadow

## *A Personal Memoir*

Richard L. Walker

GREAT DIFFERENCES among academics and personal antagonisms in their fields of specialization are common in the best of times. But the 1950s were not the best of times. In what was to become known as the McCarthy era, differences within American university faculties were stark and personal antagonisms often poisonous.

To some extent this was inevitable. Ideological loyalties and attachments formed during the Depression years, and then strengthened by the wartime alliance with the Soviet Union, came into head-on conflict with the attitudes shaped by a fuller knowledge of the real nature of communist regimes and the beginning of the Cold War.

Senator Joseph McCarthy's peculiar contribution to this conflict was two-fold. First, he coarsened and polarized it to an extent that made it extremely difficult to sustain some vital distinctions. One such distinction, drawn most clearly by Sidney Hook, was encapsulated in the title of his book *Heresy Yes, Conspiracy No.* The book represented a rational approach that too few appreciated. Another and even more fundamental distinction for academics was that between what was ideologically correct to believe and what was actually the case. Second, McCarthy's behavior—his bullying, his lying, his demagoguery—gave those who had an interest in doing so a perfect opportunity to change the subject. Instead of the extent, nature, and consequences of allegiance to a political party controlled by a foreign totalitarian power being made the proper object of attention, "McCarthyism" could itself be made the central issue. In some ways, McCarthy's cynical and outrageous antics made it as difficult to be a serious and principled anti-communist in the America of the 1950s as it was to be a fellow-traveler.

For several reasons, the effects of McCarthyism were particularly virulent in the field of China studies in American universities. For one thing, the Chinese communists exerted a strong and long-established claim on the sympathies and imagination of a number of scholars. Often (though certainly not always) this was as much romantic as it was ideological. One of the first works in the 1930s to build up the romantic version of Mao Tse-tung and the Chinese communists was the bestselling work of Edgar Snow, *Red Star Over China.* According to this version, Mao and his fellow communists were the austere heroes of the Long March, the incorruptible reformers living in the caves of Yanan, and the dedicated opponents of both the Kuomintang (KMT) and the Japanese invaders—they were men who seemed to be above and beyond ordi-

Richard L. Walker was U.S. ambassador to the Republic of Korea during 1981-86 and is ambassador-in-residence at the Walker Institute of International Studies at the University of South Carolina.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nary politics. Such uncritical admiration often coexisted with a distaste and sense of guilt concerning past Western behavior toward China. The late John King Fairbank, professor at Harvard and a dominant figure in American post-World War II China studies, spoke for many when, looking back in 1972, he said, "Well, you know, I've been on their side since 1943." Fairbank wrote and talked with consistency about what he called "the Chinese Revolution", in which the communist phase was represented as both ineluctable and as continuous with earlier imperial China. Communist realities were always played down.

As against all this, with the victory of the Maoist party and the proclamation of the Chinese People's Republic on October 1, 1949, China became a major—and ominous—new factor in the Cold War. When the Sino-Soviet alliance was proclaimed on February 14, 1950, concern grew about how the United States could have "lost" China. This became an even more serious political issue after Kim Il-Sung invaded South Korea in June 1950, with Stalin's blessing and with stunning initial success. In his book, *Modern Times*, Paul Johnson maintains that "McCarthy would have been of little account had not the Korean War broken out. . . . His period of ascendancy coincided exactly with that bitter and frustrating conflict—one might say that McCarthyism was Stalin's last gift to the American people." Certainly this accumulation of events relating to China created within the small and intimate community of America's China scholars a tinder box of recrimination and finger-pointing, giving the normal rivalries and differences within the academic community an unprecedented intensity. This is part of the background for my own story as one of the less typical sufferers from the phenomenon known as McCarthyism.

FOLLOWING more than three years' active military service in World War II, at the beginning of the 1950s I was a relatively young assistant professor at Yale University, with several publications in refereed learned journals to my credit. Early on, and while he was still riding high, I made my own position on McCarthy clear on several occasions. On one of them, for example, I sent a letter to my colleague at Yale, Professor Robert A. Dahl, a distinguished political scientist who possessed impeccable credentials for working against the Leninists in academe and who eventually was to become president of the American Political Science Association. He had delivered a talk entitled "Congressional Investigations Threaten Academic Freedom." I felt this was an overreaction to what was happening and wrote to him on July 7, 1953. I began, "Let me state at the outset . . . my firm belief that Mr. McCarthy and his tactics do constitute a real threat to democracy on the American scene today." But I then went on to say, "I sincerely believe that the liberals could make a positive contribution to destroying the power of Mr. McCarthy if they would stop building him up through their hysteria."

The hysteria to which I was referring was real enough and was effectively ridiculed by the literary critic, Leslie Fiedler, at the time:

> From one end of the country to the other rings the cry, 'I am cowed! I am afraid to speak out!' and the even louder response, 'Look, he is cowed! He is afraid to speak out!'

Nevertheless, because of such attempts to make some elementary distinctions and the critical positions I took with regard to the new regime in China, some colleagues in the field quickly labeled me a McCarthyist. It was not pleasant, but it was only a foretaste of what was to come.

In the spring of 1951 I received an invitation that was heady stuff for a young academic. I was asked to review Freda Utley's *The China Story* for the *New York Times Book Review*. Utley was a former communist with experiences in the Soviet Union and China.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

She was a major supplier of information on Owen Lattimore and other Western intellectuals in China to Senator McCarthy. Given the prevailing atmosphere, this meant that the book was a very hot item, and I was given just 750 words to deal with it.

My review noted that it was a "violent tract" containing "bitter invectives and denunciations" and "attack on personalities." But I did go on to say, "Since this is her answer to Owen Lattimore's *Ordeal by Slander* (which had named Utley), it must in all fairness be read by those who have read that volume." Utley wrote me almost immediately to let me know of her displeasure with my review. More remarkable, given the general tone of what I had written, were the messages from several China scholars upbraiding me for having had anything even faintly positive to say about the book. One of them, particularly sharp, was from Professor Derk Bodde of the University of Pennsylvania. I mention this because I shall have occasion to refer to him later. The *New York Times*, incidentally, liked the review, and I was quickly asked to do several more.

A few months later, in the early summer of 1951, I received a call from a friend in government and a note from Sol Levitas, the venerable editor of *The New Leader* magazine—a liberal journal of opinion published in New York and supported in part by the International Ladies Garment Workers Union and other trade unions, but clearly anti-communist. They suggested that since the wild charges by McCarthy—that Owen Lattimore and the Institute of Pacific Relations (IPR) represented part of a communist conspiracy—were hurting us abroad, it might be helpful for me, as a younger scholar who had not been involved in the events then being investigated, to look into the issue. The idea was not to investigate Lattimore's political views, but to assess the quality of his work in scholarly terms.

In retrospect I suspect it was naive on my part to think that, given the academic sensitivities of the time, these two aspects could be separated. In any event I undertook the project, in part because I felt it necessary for my own education to learn about past Asian scholarship and some of the central issues. This involved long days in the Yale library that summer and the following fall going through shelf after shelf of IPR publications, especially its two journals *Far Eastern Survey* and *Pacific Affairs*. The second of these, edited for many years by Lattimore, had been a vehicle for some of his own views, including his justification of the Stalin purge trials.

The result was a "special supplement" (their first) for *The New Leader*. Entitled "Lattimore and the IPR", it appeared on March 31, 1952. It was followed in subsequent issues by numerous letters to the editor and by exchanges first between William Holland of the IPR and me, and then between Owen Lattimore and me.

It is not hyperbole to state that the special supplement caused something of a sensation. It also marked me, and I learned very quickly that it was difficult, if not well nigh impossible, to take a detached view on issues relating to U.S. policies in East Asia, particularly on China. In my piece I had argued that the work of the IPR over past decades was of primary importance, that it had provided valuable and useful service over the years, but that Lattimore had failed in his responsibilities as an IPR editor to maintain the integrity of his publication and had misled the organization. His scholarship left much to be desired. I also observed that the same could be said of the McCarran Hearings on Lattimore and the IPR, which were then continuing. I noted that Lattimore had frequently been a polemicist, but that was not to be the issue as far as I was concerned. The fact was rather that the nature of McCarthy's attack against him had made him both a hero and relatively immune to criticism from colleagues, many of whom would admit in private conversation that he was not without flaws.

But after McCarthy's sensational (and absurd) charges that Lattimore had been a key Soviet agent in the United States, anyone who



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

questioned Lattimore's scholarship was considered beyond the pale. I was now one of those, even though my *New Leader* piece was considered balanced and objective by a number of distinguished scholars. Some messages from overseas encouraged me to believe that through translation into several languages in Europe and Asia, the supplement helped some intellectuals in allied countries to soften some of their hitherto harsh assessments of the American scene.

IN 1953 I published my book *The Multi-State System of Ancient China*. The reaction from the scholarly world was very good. One distinguished scholar—who shall remain nameless but who will appear in this narrative again in the context of events that happened a few years later—wrote to me, "I wish to send my congratulations. I find it excellent and marvel at the mass of literature you went through to reach your conclusions. This week—twice—I have had occasion to recommend it strongly to my students in Chinese history." Other reviewers praised the volume. Dr. Hu Shih—a distinguished scholar who had served as China's ambassador to the United States during World War II and who had stayed aloof from the contest between the KMT and the CCP—wrote to me of his admiration for the work and called it a major achievement for American Sinology.

During the first half of the 1950s, in addition to being recalled for a short time to active duty with the U.S. Army at the start of the Korean War, I was able to spend time in Japan, Korea, Taiwan, Hong Kong, and Burma, and to interview some of the refugees from Mao's "New China." These were wrenching and moving experiences that contributed powerfully to my increasingly hostile view of the PRC. I was not completely ostracized from the community of China scholars, and in all fairness I note that, supported by Dean Rusk and C. Burton Fahs, who were with the foundation at that time, in 1954 I was able to receive a Rockefeller Foundation fellowship. Even in the most intense periods of division among the China specialists in the 1950s, there were still individuals who insisted on fair presentations from both sides.

My next major book, published in June 1955, was of a different nature. *China Under Communism: The First Five Years* dealt with contemporary rather than more distant events—a trickier and more dangerous project even at the best of times. Hence I was delighted when Professor Edwin O. Reischauer of Harvard gave it an outstandingly favorable review on the front page of the *New York Times Book Review*. After noting that it was "as lucid and revealing a picture of communist rule in China as is possible at this time", Reischauer concluded by advising his readers that, "This is a book which must be read by those who wish to have a solidly based opinion on China policy." Generally favorable reviews also came from Richard Yang, Robert C. North, George E. Taylor, Paul M.A. Linebarger, and C. Martin Wilbur, all of them acknowledged leaders in the China field.

I should note that Utley also reviewed the book. She claimed that I had made a "valiant effort" to fend off the school that had opposed her—the "Lattimore-Fairbank-IPR school of thought"—with a "massive array of facts . . . a 'balanced' and unemotional record so that he cannot be smeared as a heretic." She continued, "He writes in such a pedestrian style that he can rarely stir the reader's imagination, or evoke pity or terror."

Utley aside, gossip from colleagues warned me that an attack was under way and that Mary C. Wright at the Hoover Institution (yes, things were different back then) had been recruited to "do a job" on the book. Her review in the *Journal of Asian Studies* was 180 degrees away from those of Reischauer (one of her teachers) and the others named above. Her attack ended by dismissing the book as "good lunch-club material." It was no surprise, of course, that the reviewer for the IPR journal *Pacific Affairs* found it "long and tendentious and full of asseverations . . . deeply ballasted with opin-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ion . . . loaded with commentary, the sideways and ponderously hostile approach to everything . . . partisan journalism." This review and Wright's were the ones that were to be most frequently quoted in subsequent bibliographies that listed my book.

It may be appropriate here to refer to an informal review that the book was to receive much, much later. In April 1992, at the time of my formal retirement dinner at the University of South Carolina, the then U.S. ambassador to Korea, Donald P. Gregg, wrote a letter that went in part:

> Morton Abramowitz was a recent houseguest of mine . . . and we were talking about the amazing changes we have witnessed in Asia over the past few years. Mort recalled that as a college student in the mid-1950s he had read your book entitled *China Under Communism*. Mort's comment was as follows: 'A lot of people were dumping on Dixie's book at the time but you know what, he was absolutely right.' Mort now heads the Carnegie Endowment and is an immensely fair-minded man. His comment was wonderful and I hope some day people will say things like that about me.[1]

But that was far in the future. Meanwhile, at a meeting of the Association for Asian Studies (AAS) in Philadelphia in April 1956, John Fairbank, with whom my relations had been cordial and with whom I had debated on public platforms, came up to me and said, "Here's a lady who wants to meet you", and stepped away. "I'm Adele Rickett", she said. I knew of her because of the book *Prisoners of the Liberation*, which she had written jointly with her husband. "I just wanted to meet the person who wrote that horrible book and see whether you're as inhuman as I thought you were."

That's how things were back then. At that same AAS meeting, one of my graduate students at Yale was told that if he wanted to get anywhere in the field, he would have to get away from "Walker and his gang." It was the first time I realized that I was part of a gang, but I already learned that in the atmosphere of the McCarthy era I would not be given the chance to stick by my views and remain above the political fray. Although I had not in any way supported the junior Senator from Wisconsin, I was being dubbed a McCarthyist.

LATE IN 1956 the Yale history department sent out letters to twelve top scholars in Chinese history asking them to review my credentials for promotion and tenure. This was the first of two years in which such a procedure could be taken. Meanwhile, I had already received inquiries from other universities about my availability, one of which was to lead to my appointment at the University of South Carolina. The dean of Yale College, William C. DeVane, was a South Carolinian and a staunch supporter of mine. He knew of my situation within the profession and followed it with interest. He also knew the president of the University of South Carolina, Donald Russell, a former assistant secretary of state. I was to end up accepting a full professorship at South Carolina even before the initial tenure procedure at Yale could be completed.

The response to the letters from Yale reflected the impact of McCarthyism and how it had polarized the China field. There were no neutral replies: all were either enthusiastically "pro" or emphatically "con." Despite the fact that I had probably the best teaching, publishing, and research record of any of those up for tenure or promotion, my candidacy in that first year was rejected. It was only later that I learned some of the details of the history department's meeting on my case: that in the sharp division the

[1]Morton Abramowitz, one of the country's most distinguished diplomats, served as ambassador to both Thailand (1978-81) and Turkey (1989-91). "Dixie" is a nickname of mine that dates from before World War II, when I worked with a college baseball team as a manager and "Dixie Walker" was a nationally known outfielder for the then Brooklyn Dodgers.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

major strikes against me were that I was too anti-communist, that I was more a political scientist than a historian, and that I was "controversial."

Once one has been labeled controversial in the academic world, any evidence will do to validate the description. One of my supporters at that history department meeting had a copy of the euphoric letter, mentioned earlier, that I had received from a distinguished scholar about *The Multi-State System of Ancient China*. Now, in response to Yale's inquiry, the author of that letter stated blandly that to his knowledge Walker had not done any really serious scholarly research in his career. When Professor Samuel F. Bemis, another of my mentors, held the two letters up side by side, one colleague, later to become president at a well-known New England college for women, triumphantly concluded: "That just proves how controversial Dixie is!"

I had been at Yale for eleven years, including graduate work after my service in World War II in the Pacific, and it was probably time to move on. The offer from South Carolina was challenging, though I must report that some of my colleagues at Yale and in the China field considered going there as being consigned to what we call these days, after the Soviet and Chinese experience, "internal exile." They could not have been more wrong. At the University of South Carolina I was able to put my energies into building a program that in less than a decade had achieved national standing. We were able to establish an Institute of International Studies, including a Center for Asian Studies, that attracted visiting scholars from around the world.

At the annual meeting of the AAS that year (1957) most of the China scholars, as had become the custom, met in a Chinese restaurant for a get-together. Normally a regular participant, I did not attend the sessions that year because I was in South Carolina making preparations for an important move in our family life. Two of my graduate students, who subsequently received their doctorates from Yale, attended the meeting and told me what transpired. Following a few toasts and rounds of drinks, Professor Derk Bodde (who was one of the first to apply for the post I was vacating at Yale) rose and announced, "I propose a toast! We finally got Dick Walker!" John Fairbank and others joined in. Ed Reischauer, who had reviewed my *China Under Communism* so favorably and who was to go on to become our distinguished ambassador to Japan, later told me when I visited him in Tokyo that he had been deeply embarrassed and immediately left. My two graduate students, who still keep in touch with me, told me that episode had been instrumental in turning them against the academic profession. They have subsequently had successful diplomatic and research careers with the U.S. government.

In the remaining years of the McCarthyist 1950s I was able to plow my energies into creative activities. I published another volume titled *The Continuing Struggle: Communist China and the Free World*, which was treated in the same manner as *China Under Communism*. These were, however, good years for me. I was able to join colleagues at the University of Washington to teach in the summer, to travel frequently to East Asia, and to work with a group of young Chinese from Peking University to set up the Union Research Institute in Hong Kong.

This latter group helped me to gather materials dealing with the Great Leap Forward in China, and in June 1959 I published another special supplement for *The New Leader* entitled "Letters from the Communes." These letters, together with those published a year later in another special supplement entitled "Hunger in China", provided moving evidence in first-person terms of the suffering inflicted on the Chinese people by Mao's lunatic Great Leap Forward. As Ross Terrill has recently recorded in these pages, these estimates were scoffed at as "extreme" by John Fairbank and his circle, or dismissed as mere journalism ("Mao in History", Summer 1998). But as we now know, I grossly underestimated the extent of



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the suffering: instead of the one to two million deaths that I had calculated for the Great Leap, and that had been so contemptuously dismissed as an exaggeration, the now widely accepted figure is thirty million.

The grotesque blindness that characterized many of those on whom the American public depended for advice on conditions in China did not end as the McCarthy period receded. It was just as evident when the next great convulsion—the so-called Cultural Revolution—occurred, and again I was in a position to observe its effects at first hand. In 1971—that is, at the peak of the anti-Vietnam War movement—I was asked by the U.S. Senate Committee on the Judiciary to do a study on the "Human Cost of Communism in China", a companion piece to a similar study by Robert Conquest on the Soviet Union. In this work I drew on official statements and figures from Chinese leaders themselves. Again it created a major stir, with the result that I became more than ever an outcast in the field.

Fortunately, I have lived long enough to have senior leaders in the PRC acknowledge that my writings were on target. During a conference at the Summer Palace outside Beijing held in 1980, one of the Chinese participants, a retired PLA general who had fought against us in Korea and was now with the Beijing Institute of International and Strategic Studies, approached me. Over a cup of tea he said, "Now, Professor Walker, about that study you did on 'The Human Cost of Communism in China.'" I blanched and thought, "Oh dear." But he continued, "Your figures on the Cultural Revolution's costs were way low!" At least some of those who were breaking away from the Maoist era—which Fairbank had labeled "one of the best things that has ever happened to China"—understood those of us who have never accepted the official line from the Chinese capital.

SO MUCH FOR one China scholar's engagement with McCarthyism. From the perspective of four decades, what can one conclude about that sorry phenomenon?

First, McCarthyism had some deeply negative effects on U.S. China studies. It exacerbated personal disputes and personality clashes, and it polluted even such areas as art and literature. It eroded the integrity of some fine scholars who, under pressure or in weakness, substituted emotion for reason. It polarized the field and created real difficulties for those who wished to maintain an objective scholarly position.

Second, by making it easy to discredit serious and informed criticism of what was happening in China, McCarthyism had the unintended effect of moving the center of gravity in scholarship on the subject considerably to the Left. In my view, that made it more often than not spectacularly wrong on the essentials, in much the same way as left-wing Sovietology was wrong about the Soviet Union. If anything, the situation was worse in the case of Sinology, and error persisted longer.

Clearly the excesses of McCarthyism served to legitimize the Fairbank school of thought and its support of the "Chinese Revolution." From his seat at Harvard, Fairbank devoted himself to presenting the Maoist regime as a legitimate successor in an ongoing history of China. With his protégés Arthur and Mary Wright moving to Yale, and with his command of resources from foundations and academic centers, his ability to get this view accepted was formidable. As Professor Richard C. Thornton has summed up:

> For the better part of four decades, Fairbank exercised enormous leverage on the field of Chinese studies: He influenced where and how resources would be expended; helped to train hundreds of students who went on eventually to fill high academic, governmental, and business positions; and shaped American attitudes toward the Chinese Communist regime.

He confidently dismissed those who disagreed with his position as "insignificant"—a class that included, as he confidently asserted in his 1982 autobiography *China Bound*, the group at



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the University of Washington, as well as myself. In that same volume he summed up his basic approach succinctly: "I was committed to viewing 'communism' as bad in America but good in China, which I was convinced was true." On the same page he also explained the pragmatic nature of his condemnation of communism in America: "I could state the merits of the CCP effectively only if I were anti-CPUSA at home."

Third, McCarthyism destroyed the careers of a number of fine China specialists in the Foreign Service. What happened to Oliver Edmund Clubb and John Paton Davies was a discreditable chapter in the defense of State Department professionals who were rendering honest service to their country. At the same time, the State Department was not as devastated as these individual cases might suggest, or as some academics were later to insist. Distinguished officers such as Ralph Clough, Howard Boorman, and Charles T. Cross were able to continue their service unobstructed.

Fourth, McCarthyism resulted in some, but only a few, academic purges, which are always ugly, no matter the motive, in a society that cherishes academic freedom. The victims were at both ends of the spectrum to which they had been consigned by the intensity of McCarthyist polemics, though only those at one end have received much subsequent attention.

Fifth, as McCarthyism has become a legend and a catch-all characterization of a decade, its strength and impact have been grossly exaggerated. This has had pernicious effects over the years. Thus, for example, was it possible for Professor Edward Friedman of the University of Wisconsin to discuss the so-called Cultural Revolution as "Marxist McCarthyism." And today a colleague of mine still tells his students that McCarthyism was worse for the United States than Stalinism was for Russia. Such statements are ludicrous and morally repugnant. As ugly as McCarthyism was, nobody died because of it, no one went to a gulag, and the total number of people jailed, usually on charges of perjury, did not exceed 140. By contrast, the Cultural Revolution marked the greatest wave of destruction of cultural and artistic treasures, the greatest purge of intellectuals, and the greatest national destruction since the First Chin Emperor beginning in 221 BC. Accurate estimates of the human casualties are still not available, but the figure is probably more than two million. As for the second comparison, according to Russian scholars Stalin was responsible for the deaths of more than fifty million people during the course of his career. Mao Tse-tung was to score even larger.

The McCarthyism label never matched the reality. There were positive developments in China studies even during its worst years. McCarthyism did not send scholars into headlong retreat in fright. Many were able to continue their studies and inspire a new generation of specialists. Not only did some stand up to McCarthy, but major projects, including the National Defense Education Act and new support for China studies from foundations beginning in the late 1950s, made the field remarkably productive. Indeed, the U.S. scholarly community was well prepared for the access to the PRC that came in the wake of the Nixon opening to China. In the end, and as ugly as it was, McCarthyism was not as powerful as the deafening howls from some academics who insisted that they were forced into silence. It was a sorry chapter, but it was neither deadly nor lasting. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# The Man Who Saved the Day—Sort of...

Paul Wolfowitz

Richard Holbrooke, *To End a War* (New York: Random House, 1998), 408 pp., $27.95.

THE DAYTON AGREEMENT that ended the war in Bosnia—or, more precisely, that produced a ceasefire which has so far lasted almost three years—is a flawed agreement, and its flaws are the product of a flawed policy. Those policy failures are the responsibility of two American administrations and, even more, of the European countries who claimed that they were ready to lead, but who in fact allowed tens of thousands of innocent people to perish in the "ethnic cleansing" and war crimes that marked the conflict in Bosnia.

With all its flaws, the Dayton Agreement provided much-needed relief from the horrible war that preceded it, and it is largely to the credit of Richard Holbrooke that there is any agreement at all. He has now given us, in *To End a War*, his memoir of this crucially important negotiation, the crowning achievement (so far) of an impressive diplomatic career. The book makes compelling reading, even as it raises questions that have yet to be answered satisfactorily.

Holbrooke's diplomatic style has been criticized as "pushy"—but his pushiness is far better than the passivity with which the United States permitted "ethnic cleansing" to continue in Bosnia during the last year of the Bush administration and the first two and a half years of the Clinton administration. Holbrooke has been called brash and arrogant and rude; but far better someone who was willing to insult the war criminal Ratko Mladic—by refusing to shake his hand or eat with him—than the parade of cultivated European diplomats who treated Mladic and his co-criminal, Radovan Karadzic, as respectable negotiating partners. (When Slobodan Milosevic tells Holbrooke that this insult "would not make the negotiations any easier", the author replies, "So be it." In truth, his contemptuous treatment of the Bosnian Serb leaders was itself an effective negotiating tactic, reinforcing his position that Milosevic was responsible for the Serb side.) And while Holbrooke has been accused of overweening ambition, his ambition was guided by a passion to right the historic and moral wrong of the Western failure in Bosnia and at the same time restore American leadership in Europe.

OF THE MANY failures of Western policy in the former Yugoslavia, none was more important or more contemptible than the failure to provide the government of Bosnia with the means to defend itself from the campaign of "ethnic cleansing" launched by Milosevic, the ruler of Serbia, and his Bosnian Serb henchmen led by Karadzic and Mladic. Merely providing the Bosnians with the means to defend themselves would not have required risking European or American combat forces. The Western powers in fact did very much the opposite, imposing a United Nations arms embargo on the former Yugoslavia. Despite its impartial-sounding label, an embargo of this kind necessarily favors the side that has less need for arms from outside. In this case, since Belgrade amply supplied the Bosnian Serbs with weapons of all kinds, the embargo was totally and disastrously one-sided in its effect. Moreover, it made the generally moderate



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(and initially multi-ethnic) Bosnian government dependent on radical Muslim countries, including Iran, for the trickle of arms with which it barely managed to survive.

In the late spring of 1992, while serving as undersecretary of defense in the Bush administration, I discussed the issue of the arms embargo with General Colin Powell, then chairman of the Joint Chiefs of Staff. The challenge was not to persuade him of its immorality: it was self-evidently wrong to deny the victims of aggression the means to defend themselves. Nor did I try to make the strategic case that we were depriving ourselves of an instrument that had proven effective in cases from Lend-Lease to Afghanistan, and that might help to deter repetitions of ethnic cleansing elsewhere. I argued simply that the arms embargo would lead eventually to the involvement of American ground forces in Yugoslavia, something that both General Powell and Defense Secretary Richard Cheney were determined to avoid. By denying the Bosnians the means to defend themselves, the "international community" (as it is regularly but inappropriately called) was assuming the responsibility to protect them itself. And since the international community, which in this case meant primarily the West European powers, lacked the will or the capability to do so, sooner or later the United States would be forced to send its own troops to defend those whom we had deprived of the means to defend themselves.

This argument seemed to make a strong impression on General Powell, and he called in several senior generals on his staff to listen to our discussion. When he asked, however, what the State Department thought of this argument, I had to admit that they supported the arms embargo on the grounds that lifting it would prolong the war. (In retrospect it seems quite clear that it would have had the opposite effect, since it was the Croatian victory three years later that finally brought the war to an end.)

State Department policy focused instead on providing humanitarian relief to Bosnia. As long as that was the case, General Powell pointed out, American troops delivering food and medicine to Bosnia were exposed, and he did not want to endanger them further by taking sides in an arms supply mission. When I could persuade the State Department, he told me, I should come back to him.

General Powell had a point. For a long and tragic time, Western policy in Bosnia has been hostage to the safety of Western peacekeepers. This was demonstrated most dramatically at the end of May 1995, when the Bosnian Serbs responded to the threat of NATO bombing by kidnapping more than 350 UN peacekeepers and handcuffing them to potential targets. As Lord David Owen acknowledged in his own memoir, the Bosnian Serb commander General Mladic "knew that UN troops were his ultimate safeguard against NATO air power tilting the balance against him."

Moreover, the UN troops proved disastrously incapable of protecting the people they had promised to defend. In July of 1995 General Mladic's troops overran the UN-protected "safe havens" of Srebrenica and Zepa. The result, as Holbrooke recounts, was the massacre of more than seven thousand mostly unarmed Muslims, a horror that "nothing in the war had matched, or ever would match." Srebrenica, he writes, "would become part of the language of the horrors of modern war, alongside Lidice, Oradour, Babi Yar, and the Katyn Forest." And that disaster indeed led directly to the commitment of American ground forces to Bosnia for what is now an open-ended duration.

LONG BEFORE he became assistant secretary of state for European affairs, Holbrooke developed a deep concern about Bosnia during a trip as a private citizen in August of 1992. Outside his hotel room in Banja Luka he saw Muslims forced to sign papers giving up their property and herded onto buses heading for the border. A few miles outside the city he saw row after row of ruined houses, with an occasional Serb house completely undamaged, evidence of "a sys-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tematic pogrom in which Serbs fingered their Muslim neighbors." Powerfully moved by what he saw, and despite warnings from friends that the new Clinton team did not want to hear about Bosnia, Holbrooke sent a memo to Warren Christopher and Anthony Lake one week before Clinton's inauguration, strongly urging both the lifting of the arms embargo and the direct use of American airpower against the Bosnian Serbs.

Several years later, in early 1995, Holbrooke candidly described Bosnia in an article in *Foreign Affairs* as "the greatest collective security failure of the West since the 1930s." This was bold language for a serving assistant secretary of state, even though Holbrooke claims in this book that he was referring only to the era of the Bush administration, not to events during Clinton's tenure. In point of fact, the only thing that distinguished the inaction of Clinton's first two and a half years from his predecessor's was its hypocrisy, since Clinton had come into office attacking Bush and promising to "make the United States the catalyst for a collective stance against aggression." The worst in Bosnia was still to come later that same year, with the massacres in Srebrenica and Zepa and the complete disgrace of the UN peacekeeping forces. Only in August of 1995, when U.S. and Western policy in Bosnia had reached a low point for all the world to see, was Holbrooke finally launched on the shuttle diplomacy that would culminate in the Dayton Peace Conference.

Although Holbrooke is rarely accused of excessive modesty, his achievement is actually understated in this book, simply because he is careful not to draw attention to how little active support he got from his own President. In fact, up until the convening of the Dayton Conference, President Clinton seems hardly to have been paying attention to Bosnia; his main intervention was to question the continuation of NATO's bombing campaign in mid-September, at a time when Holbrooke and his team believed that the bombing was essential for the success of their diplomatic efforts.

In one of the book's most revealing passages, Holbrooke recounts how he informed Clinton that his publicly announced promise to provide U.S. troops if needed to help extract UN peacekeepers had produced a NATO contingency plan that called for the use of twenty thousand American troops to assist in the extraction. Although President Clinton had never approved or even been briefed on the plan, it had already been approved by the NATO council. "While you have the power to stop it", Holbrooke told the President, "it has a high degree of automaticity built into it, especially since we have committed ourselves publicly to assisting NATO troops if the UN decides to withdraw." Confronted with the prospect, as Holbrooke puts it, of sending U.S. troops to Bosnia "to implement a failure", the President began to "press his advisors for better options." Apparently, Holbrooke implies, Clinton finally acted in Bosnia only when told that he had lost the option of inaction. (This logic did not, unfortunately, lead Clinton to do anything when French President Chirac proposed, a month later, that American helicopters should carry French troops into Srebrenica to relieve the town.)

President Clinton's absence is most striking when it comes to military matters, including some of the most central importance. Having served as undersecretary of defense in the Bush administration, with the responsibility under law to advise the secretary of defense in the review of military plans, I cannot imagine President Bush permitting a situation like the one Holbrooke describes, in which Admiral Leighton Smith, the four-star admiral who commanded NATO forces in the region, "pointed out [that] he did not even work for the United States; as a NATO commander he took orders from Brussels." In fact, as an admiral in the U.S. Navy he also would have had to take orders from his commander-in-chief, probably through the chain of command from the secretary of defense to SACEUR (also an American).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The President did attend part of the crucial Principals' Committee meeting of September 11. That was where he questioned whether NATO's bombing had "reached the point of diminishing returns", reflecting what Holbrooke calls "the heavy pressure the President was under to end the bombing." (It is not at all clear where this pressure would have been coming from.) Assured by Christopher that the bombing should continue in order to support the negotiating team, Clinton said, "Okay, but I am frustrated that the air campaign is not better coordinated with the diplomatic effort."

Holbrooke calls this "an astute observation", but he fails to note that the problem is one that only the President himself could fix. At this same meeting (Holbrooke doesn't indicate whether Clinton was still present) the military asserted that they would run out of authorized targets within two or three days. This forced Holbrooke and his team to negotiate the terms of the bombing suspension under a deadline, and an absurdly short one at that. It also meant that the bombing would be suspended while the Croatian-Bosnian offensive continued. Although NATO's bombing probably had less military effect than generally believed—since, as Holbrooke says, there was no military coordination between the bombing and the Croat and Bosnian forces on the ground—nevertheless, the "air strikes had undeniably aided the Federation." The fact that the bombing was suspended three weeks before the ceasefire that finally ended the offensive must have favored the Serbs and weakened not only Holbrooke's negotiating hand but also that of the Bosnians.

It is simply astonishing that the entire diplomatic effort and probably the military situation on the ground were driven by the assertion that our military would run out of targets within two or three days. Holbrooke writes that "there was no way to question the military within its own area of responsibility—the military controlled the information and independent verification was virtually impossible." This is not quite true. The State Department does not control the military, but the president does, and I do not believe that President Bush would have allowed a situation like the one Holbrooke describes.

It is hard to know from Holbrooke's account what weight was given to presidential face-saving in the decisions leading up to Dayton. Certainly the public relations-sensitive Clinton administration must have become concerned that the disasters in Srebrenica and Zepa had exposed the hollowness of its Bosnia policy, but Holbrooke tells us little about this aspect of administration decisionmaking.

Most surprisingly, Holbrooke says nothing at all about the 69-29 vote in the Senate on July 26, 1995, followed by a 298-128 vote in the House on August 2, to end the embargo on arms for the Bosnians. These votes demonstrated that large bipartisan majorities had the numbers to overturn Clinton's subsequent veto. It is extremely rare for Congress to override a presidential veto on a foreign policy matter; it has happened only a few times in this century. Clinton thus faced the prospect of a crushing defeat on a crucial foreign policy issue; one might have expected some mention of this consideration in an account of the decisions leading up to Dayton.

This omission is all the more significant since, by Holbrooke's own account, the success of the Croatian-Bosnian offensive during the following weeks was the major factor leading to Dayton, a success that would have been impossible without the extensive rearming that Croatia had managed to achieve despite the arms embargo. One of the rarely mentioned facts about the Dayton Agreement—and it is only implicit in Holbrooke's account—is that the war ended not primarily because of brilliant American diplomacy but because the tide of battle had finally turned and the Serbs were now losing.

IT WAS Milosevic's chestnuts that were pulled out of the fire at Dayton, and it is not surprising that Holbrooke describes him at several junctures during the endgame as desperately anxious to achieve an



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

agreement. On November 20, with the Bosnians and Croats unable to agree on adjustments to the map that would return to the 51-49 percentages of the 1994 Contact Group plan, Holbrooke had Secretary Christopher deliver an ultimatum that the talks would be closed down the next morning if agreement had not been reached. "Milosevic reacted strongly", Holbrooke reports:

> 'You can't do that', he said, his voice showing the strain. He became emotional. 'We've got this agreement almost done, you can't let this happen. . . . You can't let the Bosnians push you around this way. Just tell them what to do.' Milosevic pleaded: 'Try some more, don't give up.'

Franjo Tudjman, in contrast, who was winning the war and already had most of what he wanted, was "fast becoming the King of Dayton", as Holbrooke described him to Christopher. It was therefore the Bosnians on whom most of the American pressure was exerted, with the Americans threatening to blame them publicly for the failure to reach agreement. Indeed, as far as Milosevic and Tudjman were concerned, what Holbrooke describes as Christopher's "famous politeness and patience" seemed never to run out, even though both were responsible for war crimes. Christopher even observes of Milosevic that "had fate dealt him a different birthplace and education, he would have been a successful politician in a democratic system." In striking contrast, Holbrooke describes an astonishing incident in which Christopher complained "in unusually vivid terms" to Holbrooke over the Bosnians daring to bring up the issues of Brcko, Srebrenica, and Zepa during the final tense hours of the negotiations; and another incident in which Christopher pointedly refused to shake hands with Bosnian Foreign Minister Muhamed Sacirbey.

Holbrooke and his team understood that successful diplomacy required force to make it credible, and that the Serb defeats had thus in fact opened the door to a peace settlement. Most of the officials in Washington apparently did not, feeling that

> the duty of our diplomacy was to put a stop to the fighting, regardless of what was happening on the ground. For me, however, the success of the Croatian (and later . . . the Bosnian-Croat Federation) offensive was a classic illustration of the fact . . . that we could not expect the Serbs to be conciliatory at the negotiating table as long as they had experienced nothing but success on the battlefield.

Since Holbrooke understood the relation between force and diplomacy, it is all the more surprising that he pressed to stop the fighting when he did, and in particular that he pressed the Croats and Muslims not to take Banja Luka. He claims here that it was out of concern that this would generate another two hundred thousand refugees, but this answer seems incomplete. What about the return of the Muslim refugees, some of whom he had personally witnessed being deported just three years earlier? What about the possibility of going around Banja Luka and continuing the offensive into less populated areas?

Holbrooke implies that eagerness in Washington to end the fighting tied his hands. But one suspects that in any case he wanted to stop as close as possible to the 51-49 percentage split of territory that had been the result of European Contact Group negotiations in 1994, because that would facilitate an agreement. While criticisms of Dayton are usually greeted with the rebuttal that any agreement was better than the continuation of the war, it is legitimate to ask whether some continuation of the fighting might have produced a different kind of agreement that would have been more stable in the long run.

THE DAYTON Agreement had significant flaws, quite apart from the ones that Holbrooke acknowledges in his book. The flaws that he identifies have mainly to do with provisions that might have made the implementation more effective, such as giving more authority to the civilian High



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Representative or avoiding the arbitrary time limit placed on NATO peacekeepers (a time limit that Clinton finally abandoned in December 1997). But there are more fundamental problems with Dayton, problems that may someday resurface in a dangerous way.

First, while Holbrooke argues at length against the idea of partition, the Dayton Agreement comes very close to a partition, though accompanied by the fiction of a unified government—which was introduced in part to make a de facto partition more palatable to the Bosnians. If the reality of partition had been addressed more openly, attention would have had to be paid to making the Bosnian portion viable, not only through territorial adjustments but through arrangements governing such vital matters as secure air and land access routes to the outside world.

Instead, the Dayton arrangement makes the survival of the Bosnians dependent on the continued presence of NATO peacekeepers. And while that seems less problematic now that the Clinton administration has abandoned its arbitrary time limits, it is still not clear that the American public will support the indefinite stay of peacekeeping forces that Dayton seems to require. Moreover, as Holbrooke acknowledges, the presence of American peacekeepers is premised on a virtual absence of American casualties. While he was right to predict that U.S. peacekeepers would not suffer the massive casualties that some critics feared, the agreement remains highly vulnerable to an explosion of some sort that could lead to a precipitate withdrawal of the peacekeepers.

Second, this vulnerability is made worse by the failure to treat properly the question of arming the Muslims so that they could defend themselves if the need were to arise. Considering how clear-sighted Holbrooke was in his earlier views about the arms embargo, it is disappointing that he did not take more seriously at Dayton the need for an American commitment to make sure that the Muslim forces were strongly equipped and trained. When the Bosnians begged to get such a commitment in writing, Holbrooke treated it as an insult, complaining (although this is not reported in his book) that they were questioning his word and the word of the United States.

In reality, Holbrooke did not want to give the commitment in writing because our military and our allies objected to the whole idea, and the administration lacked the will to overrule them. As a result, the implementation of the promises regarding training and equipment—made to the congressional leadership as well as to the Bosnians—has been simply inadequate.

Despite its long-professed desire to lift the arms embargo, the administration undertook a systematic survey of Bosnian military needs only *after* Dayton had begun, arriving at estimates in the range of $700-$900 million (as compared to the $4 billion estimate of an earlier Joint Chiefs of Staff study). Unwilling to ask Congress for any funding (although Senators Helms and Dole had provided, unsolicited, for $100 million of surplus U.S. equipment), the administration went on a begging mission that produced a mere $2 million for training from a high-level "pledging" meeting in Ankara, a meeting that the Saudis refused even to attend. Finally, "Mack" McLarty was sent on a fund-raising mission to the Middle East that produced a total of only $152 million for the entire "equip and train" program. With more than half of the total going for training, this leaves the Bosnians far short of what they need, particularly since much of the equipment will be shared with the Croat elements of the Federation forces, on the premise that the Bosnians and Croats are cooperating compatriots rather than potential enemies.

Indeed, the whole concept of a 5:2:2 armaments ratio for Serbia, Croatia and Bosnia—which Holbrooke describes as "designed to protect the Federation from ever again being overwhelmed by Serb military power"—looks very different if one breaks it down into Serb, Croat, and Bosnian forces. Since Bosnia's 2/9 share is divided among the three different communities, the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

overall ratios become 17:8:2—a far cry from military stability.

Third and finally, while Milosevic needed Dayton at the time in order to avoid a more crushing defeat and to escape from the sanctions, at this point the whole arrangement depends dangerously on his good will. (Milosevic is a dangerous man to trust. His whole position at Dayton rested on selling out his Bosnian Serb allies, whom he described to Holbrooke as "shit", pronouncing the word with "an East European accent, so it sounded like 'sheet.'") Dayton's dependence on Milosevic is probably why, though he eloquently denounces Karadzic and Mladic as war criminals, Holbrooke never mentions the problematic aspect of dealing with Milosevic, who was responsible for similar crimes himself, and whose forces are now once again conducting ethnic cleansing and massacres in Kosovo. With Bosnia now stabilized, Milosevic has his hands free for Kosovo, and one of Dayton's lost opportunities was the failure to get any commitment from him on autonomy for the Kosovars.

DESPITE THESE reservations, one has to admire what Richard Holbrooke was able to accomplish, with very little backing from his own President and frequent opposition from within his own government. His pyrotechnical skill as a negotiator is amply documented here. And while it may well have been a mistake to stop the war when the Serbs were losing, we obviously cannot know how it might have ended without American intervention.

There can be no illusion that, even with perfect implementation, the Dayton Agreement can be transformed from a cease-fire into a permanent peace: while seeking to implement the agreement, we must also prepare for the possibility that it might break down. Nothing is more important, from this point of view, than seeing to it that the predominantly Muslim portion of Bosnia—hopefully a moderate and multi-ethnic Bosnia—is able to hold its own.

In the last note that Holbrooke received from Ambassador Robert Frasure, one of the three members of his team killed in the tragic accident on Mt. Igman, Frasure wrote of the Croatian offensive: "This is the first time the Serb wave has been reversed. That is essential for us to get stability, so we can get out." A stable balance of forces on the ground is indeed essential if the United States is ever to get out of Bosnia, but neither the arms control arrangements of Dayton nor a half-hearted program of equipping the Bosnians is likely to provide that stability. □

---

Paul Wolfowitz, undersecretary of defense in the Bush administration, is dean of the Paul H. Nitze School of Advanced International Studies at The Johns Hopkins University.

## *Music Man*

"I've always said that negotiating is like jazz. It's an improvisation on a theme."

— Richard Holbrooke in Prishtina, July 5, 1998 (*International Herald Tribune*)



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Machiavelli's Realism

Diana Schaub

Niccolò Machiavelli, *The Prince.* Edited and translated by Angelo M. Codevilla, commentary by William B. Allen, Hadley Arkes, and Carnes Lord (New Haven: Yale University Press, 1997), 151 pp., $11.00.

THIS NEW TRANSLATION of Machiavelli's *The Prince* appears as part of a series called "Rethinking the Western Tradition." Now, the Western tradition is rather odd as traditions go, for it is a tradition of subversion. The tradition that Machiavelli was heir to was a compound of classical and Christian thought. Neither of the founders of those traditions endeared themselves to the holders of power; Socrates was put to death by the Athenians and Jesus by the rulers of Rome. Those who followed in their wake (Plato, Aristotle, Cicero, Augustine, and Aquinas), although they found ways to adjust themselves to political power, did not relent on the essential point: namely, that there is a law higher than the laws of men. This natural law (or moral law, or divine law) offers a transcendent standard by which to judge political life and, potentially, offers a principled ground for disobedience to authority.

Machiavelli clinched his reputation with the devotees of power by subverting this subversive tradition. Decisively and spectacularly, he aligned philosophy with power. As the rethinker bar none, Machiavelli inaugurated modernity and its new truth: what Machiavelli in chapter fifteen of *The Prince* calls "the effective truth"—a real, tangible, felt truth opposed to the imagined, utopian truths of Greeks and Christians. Here is the key passage:

> And many have imagined for themselves republics and principalities that no one has ever seen or known to be in reality. Because how one ought to live is so far removed from how one lives that he who lets go of what is done for that which one ought to do sooner learns ruin than his own preservation: because a man who might want to make a show of goodness in all things necessarily comes to ruin among so many who are not good. Because of this it is necessary for a prince, wanting to maintain himself, to learn how to be able to be not good and to use this and not use it according to necessity.

This is where realism begins—realism defined, in the words of one of the volume's commentators, as "an approach to politics rooted in a cynical view of human motives and possibilities, and devoted to advancing the interests of a state without regard for moral or religious strictures." It is a view that lends itself to pithy formulations: "Might makes right", "Do or be done to", "It's a dog-eat-dog world", and Machiavelli's own contribution, "Men must either be caressed or extinguished."

This volume surrounds Old Nick's brief for obligatory badness with essays by the editor and three scholars, each of whom suggests it is time to rethink Machiavelli's rethinking.[1] While granting Machiavelli's importance, the commentators are uniformly hostile to his influence. In opposing Machiavellian realism, however, they do not embrace the designation "idealist" for themselves. As Angelo Codevilla

[1]Serious rethinkers should consult as well Harvey C. Mansfield, Jr.'s translation of *The Prince*, just released in an expanded second edition from the University of Chicago Press.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

argues in the prefatory essay entitled "Words and Power", Machiavelli deployed words as a weapon, not to kill his classical and Christian opponents, but to pare them into risible and dismissable shapes (i.e., naive idealists). Machiavelli, the supposed champion of the force of arms, was in fact a practitioner of verbal fraud and distortion, committing character assassination via caricature. His campaign of misrepresentation won him the hearts and minds of future generations to such an extent that today, according to Hadley Arkes ("Machiavelli and America"), "virtue is not something that the urbane will proclaim openly and teach in public."

We are all Machiavellians now. As a result, Carnes Lord suggests ("Machiavelli's Realism"), "it is difficult to gain the necessary perspective on the specific character and limitation of Machiavellian realism." The most obvious thing so many miss is that Machiavelli's enterprise was not purely descriptive, value-neutral, or non-normative. *The Prince* is the work of a polemicist, intent on replacing Christianity with "a new ethical framework structured by the concepts of necessity and usefulness." That replacement was accomplished in a particularly deft and insidious way, since Machiavelli was, as Lord says, "a student and imitator of the secular success of the Christian message." He was an ideologist and propagandist who borrowed the tactics of the Church (witness Pope Gregory XV's *Congregatio de propaganda fide*) in order to defeat it. Lord, in particular, faults contemporary realism for having neglected the deeper lessons of Machiavelli's revaluation of values:

> Machiavelli's 'realism', then, is something quite different . . . than the 'realism' of contemporary international relations theory, with its emphasis on value-free models. For Machiavelli, the 'effective truth' of human things cannot be understood simply in terms of material wants or needs, of acquisition or security in the ordinary sense of those words. Just as Machiavelli was more alive than his modern successors to the reality of honor and glory as motives of action in (at least the most interesting and formidable) political men, so he recognized the power of ideals to shape political behavior generally. He understood that the political and military realities of the world had been decisively affected by the victory of Christianity over paganism.

Our world in turn has been reordered by the Machiavellian conquest. With what result? Just as Christians had their schisms and sects, so too Machiavellians. Lord regards Machiavelli as the godfather of both modern republicanism (via Locke, Montesquieu, Hume, and the American Founders) and modern totalitarianism. Seconding that judgment, Codevilla avers that Mao, Stalin, and Hitler are "paradigms of Machiavelli's irreligious, single-minded founders" and wonders if the tyrannies of the twentieth century would cause even Machiavelli to repent of his counsel to wickedness.

But whether Stalin or Hitler slept with a copy of *The Prince* under his pillow or not, I'm not so sure either was a sound Machiavel. As Lord himself argues:

> Machiavelli's argument . . . may be summarized as follows. Men's natural desire to acquire must be respected as the premise of all political action. This desire cannot and should not be repressed. But it must be regulated so as to promote the common good. Such regulation is to be achieved not through moral exhortation but through political institutions with teeth—that is, institutions that both provide ordinary checks and balances to control contending social interests, and at the same time facilitate the application of extraordinary measures when necessary to surmount domestic or external crises.

Neither communism nor National Socialism accords the least deference to the essential trait of human nature: what Machiavelli calls "the very natural and ordinary" desire to acquire. The totalitarian attempt to reconstitute man leads inevitably to the boundless extremes of "pious cruelty", quite unlike the cruelties "well used" recommended by Machiavelli.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nonetheless, it may be that the unleashing of the will accomplished by Machiavelli was bound to take on a millenarian quality. Apparently, human beings cannot permanently accept a purely idiosyncratic determination of the will and always seek larger justifications for their actions. The modern god of History is the altogether unintended progeny (and refutation) of Machiavelli.

But if Stalin and company are Machiavellians manqué, what about the citizens and statesmen of the liberal democracies? In the passage above, Lord presented the public-spirited side of Machiavelli, the side developed by those who institutionalized and constitutionalized and moderated Machiavellian teachings in order to found modern democracy. But even here, there are dangers. William Allen, in the essay "Machiavelli and Modernity", speculates about the effects of "widespread knowledge of the fact that politics is merely appearance and morality is mere pretense. . . . At the very least, politics becomes the management of symbols in which fewer and fewer people believe." Instead of the barbarous surrealism of twentieth-century tyranny, one gets the hollow virtual reality of spin doctors and PR men. The result, according to Lord, is "an enduring legacy of cynicism and self-indulgence." Codevilla speaks of the foreign policy effects, where "realism" is more often a recipe for accommodation and appeasement than a spirited call to arms. The odd legacy of the sanguinary Machiavelli is the supineness of democratic leaders. In the weak-willed, Machiavellian necessity becomes a kind of fatalism. The voluntaristic element is lost; no more domination of the goddess Fortuna—it is as if sexual harassment codes now apply to that metaphorical woman as well. Again, it seems that Machiavelli misunderstood the nature of the human will. According to Codevilla:

> Contemporary Western leaders have lost, along with the scruples of natural and divine law, the very will to kill enemies both foreign and domestic. Machiavelli would hardly have understood why anyone would revolt against divine law and assert absolute sovereignty only to exercise it pusillanimously for petty ends.

Finding Machiavelli insufficient on a number of counts, the commentators argue for the greater realism of anti-Machiavellian thought and practice. They forward certain large claims about human nature. Lord, for instance, states that the "fundamental failure of Machiavellian realism" is its disregard for the truth that "law is more respectable than force—because, and to the extent that, man is a being with natural awareness of moral constraints." Perhaps more persuasive, at least for those resistant to moral philosophy, are the concrete analyses of particular anti-Machiavellian statesmen.

ARKES AND ALLEN both focus on the American founding, regarding it, despite its modernity and debt to the "new science of politics", as fundamentally anti-Machiavellian. Arkes examines the American subscription to the natural law in the jurisprudence of James Wilson. By occasionally drawing broad parallels to Plato and Aristotle, Arkes tries to link the principles that justified the Revolution and undergirded the Constitution to that older tradition. But when it comes to more precise antecedents for the American view of legitimate government, the name of John Locke perforce appears. Arkes, however, never raises the question of Locke's judicious Machiavellianism. (Lord, by contrast, acknowledges the line stretching from Machiavelli through the Enlightenment to the Founders.)

On the level of practice rather than theory, Arkes cites Alexander Hamilton as his *beau idéal* of an anti-Machiavellian politician. This virtuous judgment is sustained by the verdict of an impressively devious and dissolute Machiavellian: Talleyrand ranked Hamilton above Napoleon and Fox as the greatest man of the era. What enabled Hamilton to avoid ruin for himself and his nation, when one must operate, as *The Prince* says, "among so many who are not good"? In a word:



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Prudence. This is not the merely instrumental cleverness of the Machiavellian, but the Aristotelian virtue of practical wisdom, which turns out to be considerably more flexible and worldly than Machiavelli let on. As Codevilla points out, Machiavelli's goody-two-shoes caricature of the ancients "made it difficult for even the memory of virtue as it was once understood to enter political discourse." It should perhaps be added that our bout of historical amnesia is not due solely to Machiavelli, but to Christianity as well, inasmuch as Christian morality does have a simple, absolute, and apolitical character. As Churchill remarked: "The Sermon on the Mount is the last word in Christian ethics. Everyone respects the Quakers. Still, it is not on these terms that Ministers assume their responsibility of guiding states." That insight, however, did not leave Churchill, any more than Hamilton, an amoralist. Instead, Churchill spoke of the guidance supplied by both "Honour" (sparked by pride) and "Duty" (to such ends as peace, prosperity, and freedom), always assisted by "the right judgement of the facts at that time."

To illustrate the sort of savvy compatible with the guidance of sound and sober principles, Arkes cites "a remarkable memorandum of foreign affairs" written by Hamilton. The occasion was a request by the British to transit American territory with their troops in order to engage the Spanish. Arkes gives enough of Hamilton's reasoning to confirm that:

> The memorandum was informed, at every point, by experience and by a profound realism. In that respect, it suffers in no comparison with the sophistication that Machiavelli would offer for the instruction of a prince. But it should be quite as evident that the writer could not have been identified even remotely as a Machiavellian or a 'Hobbesian.'

Arkes makes it easy for himself by stressing the anti-Hobbesian elements, that is to say the concern for national honor even at the risk of national self-preservation. No one, I think, would have thought to call Hobbesian a man who died an untimely death in a duel; indeed, the nation might wish Hamilton had been a bit more Hobbesian. Machiavelli, of course, was not so averse to considerations of honor, at least not in so far as honor is a component of reputation, renown, credibility, and similar intangibles that contribute to power.

But Machiavelli evinced no concern for honor that transcends the usefulness of an honorable reputation. By contrast, the American founders, according to Arkes, "connected honor with what is naturally noble as tightly as they could", and in this are "as unmodern, as anti-Machiavellian as could be."[2] One thinks of other famous examples from men whose actions backed up their pronouncements. Witness the closing lines of Lincoln's Cooper Union Address: "Let us have faith that right makes might, and in that faith, let us, to the end, dare to do our duty as we understand it"; or the passage from Churchill's *Gathering Storm*, discussing the West's belated guarantee of Poland:

> Still, if you will not fight for the right when you can easily win without bloodshed; if you will not fight when your victory will be sure and not too costly; you may come to the moment when you will have to fight with all the odds against you and only a precarious chance of survival. There may even be a worse case. You may have to fight when there is no hope of victory, because it is better to perish than live as slaves.

The fate of self-government may depend on the willingness to hazard all, whether that willingness proceeds from "faith" as Lincoln says, or from "pride" as Churchill suggests. Despite the invigorating effects of such foundational moments, I suppose the aim of a democracy's foreign policy must be to avert the need for a "finest hour." According to Allen, the Founder who gave sustained

[2]A fine new collection of essays from the Ethics and Public Policy Center, entitled *Honor Among Nations: Intangible Interests and Foreign Policy*, examines various dimensions of honor.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

thought to this dilemma was George Washington. In his Farewell Address, Washington warned his countrymen against "permanent alliances or enmities." Many, at the time and since, have taken this as cold Machiavellianism; the French minister called it "a piece extolling ingratitude . . . presenting interest as the only counsel which governments ought to follow." Allen disagrees, arguing that for Washington the "sovereign principle" was not interest but rather "the integrity of public opinion." Washington knew that a republican regime, where public opinion is key, can never be as supple or nuanced in its foreign policy as an aristocracy. Great care must be taken to preserve the public faith, and being "parsimonious in pledging its faith" is part of that care. The path that Washington sketches is, indeed, the pursuit of interest, but under the superintendence of justice. As Allen explains,

> Washington identified a transcendent interest that would become the permanent basis of opinion in the republic. In doing so, he rejected the notion that opinion, once established, could be managed into any shape to fit whatever the rulers—or indeed the majority—happened to desire at any given time. A settled and permanent opinion—one not managed by the rulers but founded on natural and divine law—is the foundation of republican freedom in the United States.

Allen's discussion of what is prerequisite for a self-governing people's foreign policy gives rise to a larger reflection on the quarrel of ancients and moderns. Allen suggests that the American founders made a unique contribution in the ongoing rethinking of the Western tradition, for they departed from both Plato and Machiavelli in their conviction that ordinary folks (rather than Plato's best or Machiavelli's efficacious) have just title to rule. "The people who approved the Declaration believed that far more people were capable of self-government than was ever conceded by Machiavelli and the ancients. Indeed, they believed that most people may be so capable." Only time will tell whether that conviction bespeaks true political realism, but a volume like this at least gives us a fighting chance. □

---

Diana Schaub is associate professor of political science at Loyola College in Maryland.

# Strong State, Weaker Theory

Robert L. Beisner

Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton: Princeton University Press, 1998), 216 pp., $29.95.

A GROUP OF five Americans gathered in Paris a century ago to negotiate an end to the Spanish-American War. President William McKinley had already decided to take the Philippines from Madrid's decrepit empire but had cunningly included in the peace delegation two men of anti-imperialist persuasion (to be outvoted by the others if necessary), so he might appear modest and even hesitant in making his large demands.

The real force in the U.S. group was one-time GOP vice-presidential candidate Whitelaw Reid of the *New York Tribune*, an unabashed expansionist. As Reid relates in his published diary, Spain's ambassador to France begged him: "Do not forget that we are poor; do not forget that we are vanquished; do not



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

forget that after all it was Spain that discovered America; do not forget that this is the first great war you have had with a nation on the continent of Europe, or with any foreign nation; that you have had an astonishing victory, and that you cannot complete it without showing magnanimity." Reid, unmoved, intended to have the United States act the part of a great power. He meant to see McKinley's instructions—issued in installments to accentuate the President's image of *gravitas*—carried out: take the Philippines, Puerto Rico, Guam, and effective control of Cuba. He approved when the U.S. delegates deliberately sat so that the late afternoon sun would blaze through the large Quai d'Orsay windows directly into the faces of their Spanish counterparts. No one could now mistake who held the whip hand.

Not all Americans were appreciative of this power display. Anti-imperialist steel baron Andrew Carnegie wrote Reid about his "*War* Treaty with Spain . . . It is a matter of congratulation . . . that you seem to have about finished your work of civilizing the Fillipinos [sic]. It is thought that about 8000 of them have been completely civilized and sent to Heaven. I hope you like it." Anti-imperialists put up a strenuous campaign against Reid and McKinley's treaty, and senators narrowly approved it only after being shocked by news of the beginning of the Filipino "insurrection" historians today call the U.S.-Philippine War. McKinley and the expansionists carried the day but before long tacitly agreed with the "antis" that colonialism was not America's cup of tea. By 1907, the Rough Rider President, Theodore Roosevelt, considered the Philippines the "heel of Achilles" of U.S. policy in Eastern Asia.

Colonialism might be cast aside, but not so the pursuit and exercise of international power. T.R., writes historian H. Wayne Morgan, was "the first president to have no rest from complicated foreign issues, just as his generation of Americans was the first to pursue more than 'crisis diplomacy.' Foreign affairs were here to stay." A United States continuously engaged in world affairs was a remarkable development. McKinley and Roosevelt had abandoned the conceit that America was immune to the machinations of those acting on the world stage. Historians and political scientists have long puzzled over how long it took them to do so, for in size, population, and wealth, the American nation was a power of consequence well before 1898.

POLITICAL SCIENTIST and managing editor of *Foreign Affairs* Fareed Zakaria approaches the puzzle in *From Wealth to Power* by taking readers along two paths. The first carries them to the turbulent waters of international relations theorists' debates over "realism", where he inserts his own long oar. The second path leads to an explanation of how a government that raised hundreds of thousands of troops and built a first-rate navy to defeat the Confederacy could then revert to a Lilliputian among the Brobdingnagians of world politics, an explanation embodied in a revised narrative of American diplomatic history from 1865 to the close of Roosevelt's presidency.

The responses of readers will depend partly on which highway particularly appeals to them. Most intriguing to this historian is the second. The temporal lag between American social, political, and economic development and the U.S. emergence as a world power is a perennial analytical challenge. And the possibility that a successful response to that challenge might provide a fresh story line should cheer anyone weary of the textbooks, op-ed pages, and television "specials" still stereotyping the Spanish-American War as the product of an out-of-control public opinion, the "yellow press", and a craven McKinley.

The ultimate importance of Zakaria's book, however, lies in its contribution to the international relations debate. He distinguishes among three kinds of "realism." "Classical" realism "supposes that a nation's interests are determined by its power" vis-à-vis others, and that nations "expand when they can" and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"when their power is on the rise." "Defensive" realism, in contrast, posits "that states seek security rather than influence" and, therefore, that "nations expand their interests abroad when threatened" by "powerful nations with aggressive intentions." Nations act forcefully "not when they can but when they must."

The author exposes the inadequacy of either of these two brands of realism to explain why an already powerful American nation acted reticently on the world scene after the Civil War, but, as a far more powerful nation, suddenly and impressively asserted itself at the end of the century. The classical school cannot explain the 1860s-80s passivity without denying (against irrefutable evidence) how powerful the American nation had already become. Rebutting the defensive theory, Zakaria contends, is the fact that post-Civil War American policymakers retreated before threats, while those who guided the later drive to expansionism acted in the absence of serious threats.

Zakaria advances a third, "state-centered" realism to explain what classical and defensive realism cannot, and to solve the time-lag puzzle. Why did expansionism occur long after the American nation had grown powerful? Part of the answer, he maintains, lies in distinguishing between powerful nations and powerful *states*. It is the latter, run by "decision-makers", that build armies and navies, make wars, and seize overseas territories. Decision-makers, however, can act forcefully only when wielding the organs of a powerful, or at least competent, state capable of drawing on *national* power and wealth to effect policy. State-centered realism, which reinforces rather than rejects the "classical" version, holds that "statesmen will expand the nation's political interests abroad when they perceive a relative increase in state power, not national power." When a state's ability to draw on national power grows, so does its "capacity and cohesion to carry out its wishes." Without "centralized decision-making and . . . access to material resources, no state can be considered strong." In the United States, state power grew in response to industrialization, eventually generating the supremacy of the federal over state and local governments and, within the federal government, the presidency and executive bureaucracy over political parties and Congress. This process had gone far enough in the 1890s for McKinley to seize the Philippines and, thereafter, for T.R. to fulfill the dreams of the arch-expansionist of the 1860s, Secretary of State William Henry Seward.

If correct, Zakaria's theory would explain a great deal and further stir the waters of the international relations theorists. In its support, he tallies every "opportunity" for "expansion" between 1865 and 1908, how American leaders responded to each, and how his theory accounts for each of their choices. Throughout this era, he argues, "central decision-makers . . . expanded American influence abroad when they perceived increases in state power."

State-centered realism is a theory about the making of foreign policy, not about the results of policies or their cumulative impact on the international system. This is not a serious shortcoming, but there may be others. Apart from specifics—Zakaria's dubious view, for example, that Seward's deft delay in forcing France out of Mexico was a case of the United States drawing in its horns, or that Washington backed down during the 1895-96 Venezuela crisis—his theory and its application raise more questions than answers. The assumption that we must choose between state-centered and defensive realism, that "the foreign policy behavior of a rising state" will revolve around either "state power or the level of external threat", is unconvincing: Why not both? It is also unfortunate, given how many ways states have discovered to gain influence and "expand", that Zakaria insists on territorial acquisitions as the "ultimate measure of international influence in the late nineteenth century", which by definition bars reconsideration of the belief that the United States became a "power" only in 1898.

Except for the concession that no theory can cover all cases, Zakaria also cannot account for such lurches in foreign policy



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

behavior as those from Hoover to FDR and Carter to Reagan. In both cases, the chief "decision-maker's" view about the need to conduct a strenuous foreign policy shifted *from something like indifference to urgency.* A metallic clang in the theory, and Zakaria's persistent underestimation of culture, ideas, and ideology in shaping foreign policy, are at the root of the problem. Saying that McKinley & Co. went expansionist on discovering they could is like saying that Kennedy and Johnson went into Vietnam when they had enough troops and airlift to do so. Capacity is important, but surely not that important. Herbert Hoover's ideology-driven suspicion of *building up* a centralized state had more to do with his policy than pessimism about the state's capacity to act. Can Carter's and Reagan's different perceptions of their ability to draw on state power explain anything about their differences? Far less, I would think, than examining side by side Carter's determination to abandon an "inordinate fear of communism" and Reagan's ideology-driven resolve to vex, harass, and annoy the Soviet Union.

Nonetheless, Zakaria's quest for analytical precision and a recast narrative is unpretentious and engagingly written. His book is stimulating to the end. As state capacity crumbles in Russia and grows in China, readers should ponder his view that the gradual loss of the nation-state's power and autonomy, evident over the last 150 years, might in the twenty-first century "blunt the otherwise aggressive temperament of great powers and tame the fierce nature of international life." □

---

Robert L. Beisner taught history at American University. He is the author of *Twelve Against Empire: The Anti-Imperialists, 1898-1900* and *From the Old Diplomacy to the New, 1865-1900.*

# Globalism and the American Tide

Eric Jones

Frances Cairncross, *The Death of Distance: How the Communications Revolution Will Change Our Lives* (Boston: Harvard Business School Press, 1997), 314 pp., $24.95.

WHEN NAPOLEON reorganized French administrative units, Frances Cairncross tells us, he chose a size for the *département* that would permit officials to travel anywhere within it and still be home for dinner. As Cairncross observes, on-the-spot investigation was the quickest way to get information. Now, of course, the patchwork localism of the Napoleonic world is as dead as a dodo. Worlds created by more recent technologies are also dead and improved communications are making the one we live in obsolete far faster than many people think. Although saying "many people think" may sound like the condescension to which reviewers are prone, Cairncross shows that this is not so; she notes, for instance, that 40 percent of Americans still think of AT&T as their local telephone company, though it ceased to be so in 1984.

"The death of distance", we are told, "will probably be the single most important force shaping society in the first half of the next century." Cairncross is a little breathless about the electronic communications that will conjure new worlds into existence. Nevertheless, because her text is well informed and her prose lucid, and because the technological developments *are* intrinsically exciting, she is more persuasive about the future than other DNE (Dawn



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of New Era) writers. Although she concentrates on technology, she does also pay regard to the roles of deregulation and competition in forcing the pace of change. If there is a fault, it is that her conclusions about the benign cultural and political implications of modern communications are perhaps a little overly optimistic, or maybe just too premature, though this does not detract from the clarity and force of the book as a whole.

One optimistic proposition is that companies will be able to locate more or less where they choose. Using the Internet, they will be able to find niche markets, and customers will be able to find them. Suppliers and buyers will both cross national frontiers and virtually cancel those frontiers out. Non-tradables, that is services, will increasingly be supplied internationally and "remote maintenance" will increase. Openings will thereby be provided for skilled computer operatives in poor countries, especially if (like many in, say, India and the Philippines) they speak English. Nation-states will find it hard to raise taxes, since members of the "floating elite" of skilled professionals—more in demand than before, unlike the unskilled workers of rich countries—will counteract the effect of high taxes by leaving. The advantage of large countries will decrease and small jurisdictions will flourish. The exodus from the rural areas of poorer countries will be checked; people will stay down on the farm and feel less urge to see Paree. Companies will decentralize and their employees will work more from home. And as work decreases in city centers, these will be re-jigged as better places to go for entertainment. Safer, too: surveillance cameras (more than one-quarter of a million in the United Kingdom alone) are starting to ensure that.

It is indeed hard not to write breathlessly of these changes, and few resist the temptation. The litany is familiar to readers of *The Economist*, where Cairncross published a survey as a trailer for her book. Thus we have already digested the notion that the new technologies will have an internationally leveling effect; that the structure of the firm will alter as entry costs fall and intermediary functions are occluded; that privacy will evaporate as more and more data bases contain information about our tastes, contacts, and behaviors; and that society will become vulnerable to futuristic technological breakdowns compared with which occasional failures of lifeline services like gas and water will seem small beer. Who, after all, is planning to fly on January 1, 2000?

Many changes can be interpreted favorably or unfavorably. Cairncross is better than typical whiz-bang technological writers at putting both sides, but she is still inclined to minimize the downside. She is not particularly self-conscious about methods of forecasting and, understandably, covers her position by saying that, while we exaggerate the short-term, we underestimate the long-term effects of new technologies. Here is the nub of the problem: although it is easy to foresee change, the definite forecasting of change is much harder.

THE HISTORY through which we actually have to live takes place in the lags during which some regions have yet to catch up on technologies already assimilated by other competing regions. Rates of uptake vary—again, mark the irony—from place to place. We can easily share Cairncross' hope that cheaper information will improve the world, encourage the spread of democracy, and tilt the odds toward peace. Nevertheless, greater interest will attach in the meantime to the frictions set up by differential resistance to change. What we shall notice will not be uniform political and cultural adjustment to technological advance, but a series of episodes of blockage or rejection that will often be perverse and sometimes violent.

"Cultural Protection", to which *The Death of Distance* devotes a section, will continue to be the cockpit in which the forces unleashed by electronic communications fight it out with the forces of resistance. Trade negotiators on the side of openness are pushing against non-governmental organizations lobbying for closure. The struggle will involve



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a nationalistic defense of cultural industries against "globalized" products. These products are the ones that use the English language, more specifically American products, and most pointedly those of Hollywood. If something will play in Kansas, it will, after a fashion, play anywhere. This will cause distress to overseas competitors and incline them to try handicapping Hollywood rather than actually competing. Big earnings for companies are at stake. There was some grumbling about this year's Oscars, since the much-admired British film, *The Full Monty*, was sunk, so to speak, by the American *Titanic*.

If cultural resentment rises even in Britain, which is second to the United States as an exporter of intellectual property, it will swell much more on the Continent. Europe now provides half the revenues of Hollywood studios. The European industry cannot compete in terms of blockbuster budgets or—which is where it hurts—in mass appeal. Hollywood movies, like other American cultural products, succeed in touching basic, if stylized, human emotions. American culture travels and Europeans ought to learn from this instead of grinding their teeth. Many will not agree to learn.

The French and Germans will not refrain from efforts at cultural protection. Both countries lag behind the United States in the adoption of the seminal technologies. Businesses founded by "netpreneurs" are rare almost everywhere outside the United States. Cairncross tells us that just about the time when the American president delivered the first State of the Union address ever carried live by Internet radio, the French president toured his country's new national library and was shown a computer "mouse." Jacques Chirac was astounded by this novelty and gazed at it in wonder. That was in January 1997.

Both France and Germany contain people who resent the success of Global English, which already has more second-language speakers than any other tongue. France spends $100 million a year on promoting French language and culture. Germany may be prodded in a similar direction. The Club for the Preservation of the German Language, established in 1997, is, in the unconvincing words of its founder, "all about the colonization of German by English . . . most Germans lack national pride." And if to German academics the problem seems the rise of "Denglisch" alongside the "Franglais" so distressing to their French counterparts, it quickly transpires that the real enemy is the English of Hollywood, the Internet, and the lyrics of pop music, all of which leak royalties away.

These nationalistic resentments are ultimately artificial since, historically speaking, all national cultures are artificial and syncretic. But they are also dangerous. It would be better for competing countries to shift some investment to industries in which they have comparative advantage, or to exploit the genuine signature of their cultures, which will still be valued in local markets. After all, as Cairncross points out, new technologies cut production costs everywhere and enable minorities to speak to one another more easily than ever before. The more salient point is, however, that America's is the only valid exceptionalism, by which I mean that only in the United States is the future plausibly being created. Ultimately the rest of the world emulates this future, whatever the lags and degrees of resistance. Other cultures may turn back or down some path that we cannot anticipate, but for the moment they may be visualized as a wedge of "flying geese" strung out behind the United States.

American culture *is* global culture. That does not mean that it is perfect—or even necessarily good—but that it is the closest thing that exists to universalism. For all the crassness of the worst blockbusters, cultural productions do emerge in the United States under the most stringently competitive conditions and are accepted by the largest possible market. They develop in a country that places fewer restrictions on expression than most. The individuals who create them hail from nearly every culture. The plots they write may often be banal in the eyes of intellectuals, but the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

world will not become a better place if foreign intellectuals combine with nationalistic politicians to frustrate the free choice of their countrymen to share in the common culture.

Cultures may be slow to change, if people wish to change only slowly. We have to be clear, though, just which people in a given society set themselves up as the arbiters. They are likely to include local cultural producers, who have vested interests in captive markets. If this is the case in developed Western markets, how much greater will the resistance be to a free flow of information at a second level, in rigid non-Western societies? There, as Cairncross remarks, a picture of a girl in a bikini is an outrage and almost any political statement may be taken as interference in a country's internal affairs. Thus while I want to agree with her optimism about the eventual outcome, and to thank her for her stimulating work, I am more hesitant than she is about the smoothness of the passage into a universalist, peaceful, and democratic future. □

---

Eric Jones is professorial fellow at the Melbourne Business School and professor of economics at the University of Reading, England.

## *Hope Grafted Onto Tragedy*

Here I come to the question I sought to understand in my recent book, *Le passé d'une illusion.* The question was not the history of communism. It was rather the very different one of the sway that the communist idea held over so many minds during the twentieth century: a sway so deep and so vast that it gave rise to a universal belief whose geographic reach exceeded that of Christianity. . . . I mean by this, not that it dominated everyone's imagination, but simply that it was endowed with an exceptional ubiquity; not that it failed to arouse adversaries, but simply that it was more universal than any known religion. Whether in its soft or hard versions, whether reassuring or demanding of sacrifices, it spanned nations and civilizations as a prospect inseparable from the political order of every society in the modern epoch.

Yet this prospect presented the paradoxical character of being linked to a historical event and a historical reality: the October Revolution of 1917 and the regime to which it gave birth. Without the October Revolution, without the USSR, the communist idea would have remained what it had been in the nineteenth century: a vague promise, a far horizon, a post bourgeois-alienation world that each could imagine according to his own inclination. It was October 1917 and the USSR that gave the vision its unity, its substance, and its force. . . . The communist idea was no longer free, as it had been in the preceding century, but subordinated to the constraint of a constant affirmation of the veracity of its Soviet incarnation. This was its strength—that the idea had taken root in history—but also its weakness, for the idea was dependent upon its manifestation in reality. The interesting thing is that its strength triumphed over its weakness. Until its end, the Soviet Union managed to embody for millions of people the promise of a new society. . . . No amount of massive, organized violence committed by its government and no failure in the economic realm could ever snuff out the dogma of its superiority to capitalism. The mystery of the communist idea in this century is thus that of a hope grafted onto tragedy. . . .

[N]othing less than the disappearance of the USSR was required to break the spell that had linked the regime born in October 1917 to the idea of a better society.

—François Furet, "Democracy and Utopia"



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# Letters

*James Lee, Anne-Elisabeth Moutet, Herb Greer, Keith Payne, Mark Clark, Eric Jones*

## In Asia's Mirror:

IN HIS SWEEPING pronouncement on the "Asian crisis", Sebastian Mallaby ["In Asia's Mirror: From Commodore Perry to the IMF", Summer 1998] fails to distinguish between variants of capitalism practiced both within "the West" and within "Asia."

"The West" is not limited to the Anglo-American capital market-based system with its reigning neoliberal, neoclassical economic ideology. The capitalism of continental Europe, exemplified by Germany, is bank-based, as is the capitalism of Japan and South Korea, and the German historical tradition, with its strong emphasis on government intervention in economic development, has long been a model for Northeast Asian countries. Indeed, governments have historically played an important role in the economic development of many countries of the West—including the United States as it tried earlier in this century to overtake the British in global economic dominance. Deregulation, free-market competition, and transparency, which Mallaby prescribes as the panacea for economic development of *all* developing countries at *all* stages of development, have not always been Western virtues. It is true that South Korean banks and companies have engaged in reckless short-term financing behavior that helped trigger their current financial crisis, but such errors can be corrected without the fundamental "Westernization" that Mallaby advocates. Rather than embracing "Westernization" wholeheartedly, South Korea can aspire to become more like Taiwan, Singapore, and Hong Kong—all Asian economies with sound financial practices that survived the "Asian crisis" perfectly all right and are doing reasonably well.

*James Lee*
*Cambridge, Massachusetts*

*Mallaby replies:*

OF COURSE it is true that the bank-driven economies of Germany and France have been (though are decreasingly) different from the stock market-based ones of America and Britain. Of course it is true, too, that Asian economies range from the state-directed extreme of South Korea to the laisser-faire environment of Hong Kong. But surely this does not mean that there is no clash between America's economic system, which has done remarkably well over the course of this decade, and the rival one practiced in Japan and South Korea, which has not. Neither does it mean that there is no clash between America's laisser-faire political and social culture, which for all its weaknesses seems to be advancing in the world, and the more authoritarian values propounded by the leading spokesmen of Southeast Asia, which appear to be on the retreat. I applaud Mr. Lee's appreciation for the trees of geopolitics, but I urge him to contemplate the forest as well.

## Bad Judgment at Bordeaux:

JOHN LAUGHLAND'S obsessive opposition to a European Union centered on France and Germany leads him to draw some pretty silly conclusions about the Papon trial ["Bad Judgment at Bordeaux", Summer 1998]. Acknowledging Vichy France's guilt in the Holocaust, Laughland says, would mean "dilut[ing] . . . Germany's true guilt" and "conveniently dissipat[ing] it into the anonymity of 'Europe.'" Such reasoning is on par with the Gaullist myth, relentlessly repeated in France in the 1950s and 1960s, that all French people resisted the Nazi occupation and fought in the Resistance. De Gaulle believed that the French could not face the truth like adults (or,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for that matter, like Germans). Laughland and his fellow Euroskeptics seem to think the French can't walk and chew gum at the same time—that admitting to widespread, shameful institutional policies under Vichy as part of French history and baggage will inhibit any further critical political and historical thought.

Such critical thought is, at any rate, inhibited—and Laughland proves it. The fact, for instance, that a higher proportion of Dutch Jews were captured and deported than of French Jews (three-quarters survived, notes Laughland) "must" mean that the French protected their Jews better. This is flawed reasoning: the Dutch suffered direct German occupation in a small, densely populated country without France's mountainous vastness, forests, and maquis. Moreover, Laughland's figures are skewed because they concern only "French" Jews, leaving out the tens of thousands of foreign refugees, soon deported to Germany by order of Pétain's Prime Minister Pierre Laval (who overrode Nazi instructions and included children under 16 in the French railways boxcars), and leaving out, too, the large numbers of naturalized French Jews who were stripped of their nationality by Vichy's October 1940 racial laws (adopted without German prompting and *more* stringent than the Nazi Nuremberg laws).

Laughland is supercilious about the French Code and legal system, blithely asserting that the Papon trial "could not have taken place under an Anglo-Saxon system of law"—even though Britain has recently brought to trial octogenarian war criminals in very similar procedures. The explanation, therefore, must be political pressure: because Mitterrand's collaborationist friend René Bousquet was for years shielded from justice, the Gaullist Papon "must" be the victim of the new left-wing regime. Laughland's reading of Mitterrand's influence and protection of his Vichy acolytes is accurate, but having covered the 1981 presidential campaign, I can testify that the first accusations against Papon played no part in Valéry Giscard d'Estaing's defeat and Mitterrand's victory.

Contrary to Laughland, too, it makes perfect sense that Papon could be convicted of crimes against humanity and still be absolved of complicity in murder. French law, even before the Code Pénal's 1997 rewrite of the crimes against humanity statute, acknowledges the higher duty to disobey illegal orders. By his compliance and his efficiency (the Bordeaux prefecture was one of the most diligent in rounding up and deporting Jews), Maurice Papon and many like him rendered the Holocaust possible. It would have been better had the trial taken place decades earlier, but the law is the law: once Papon's possible guilt was deemed admissible for consideration by a court, he belonged in the Bordeaux dock.

It is not just disingenuous but downright farcical to write that Papon became "the only Vichy official in the whole of France to be promoted at the Liberation within the same prefecture he had served in during the Occupation." Perhaps he was, but French prefectoral civil servants traditionally move around with each new job, so Papon would have been an exception only in politically insignificant geographical terms. What is true is that De Gaulle was so keen on preventing the Americans from setting up a provisional occupation government that he sent his own envoys throughout the country to rebuild the French civil service. Any middle-level Vichy cadre relatively untainted by collaboration was co-opted, and it helped that many of the new Gaullist *commissaires de la République* had gone to school and university with the Vichy functionaries they vetted. Yes, France knew bloody purges (the number of victims has been estimated at around 150,000), collectively dubbed "l'Épuration"; but these were often a haphazard settling of old scores, sometimes well founded, sometimes not. On balance, the Establishment took care of its own, and some of its own did not deserve the favor.

Finally, in his haste to sweep all trace of Papon's unfortunate diligence in Bordeaux under the carpet, Laughland ignores the pungent climate of anti-Semitic hatred that reigned under Vichy. Any student of the primary sources—of such papers as *La Gerbe*, *le Pilori*, *Je Suis Partout*; of the Pathé newsreels showing the 1942 exhibition "Le Juif et La France" at



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Palais Berlitz in Paris; of the billboard caricatures of hooked-nosed, thick-lipped Jews ravishing French maidens—cannot abide Papon's excuses that he believed Jews were being sent to forced labor camps in Eastern Europe, some bracing villeggiatura perhaps, where physical exercise would rehabilitate lethargic ghetto-dwellers. One of the poet Robert Brasillach's 1943 pieces for *Je Suis Partout* was a work of optimistic science-fiction—the poet's visit to the Vincennes Zoo, around 1970, for the death of the last Jew in the world, a stunted, dirty old man in a cage, under the eyes of children brought by their right-thinking French mothers to this edifying spectacle. (Brasillach, a reasonably talented novelist, was shot during "l'Épuration", despite protests from such impeccable *résistants* as the Catholic novelist François Mauriac.) Brasillach, like Papon, rendered the Holocaust possible—both with their pens. One gave fictional shape to the ideal Nazi world, the other signed and compiled the lists of all those barred from it.

*Anne-Elisabeth Moutet*
*Paris*

IN "Bad Judgment at Bordeaux", John Laughland performs some extraordinary moral and juridic contortions in defense of the French record during World War II.

That record, until late in the war, was not good. The overwhelming majority of the French tolerated, and many welcomed, the Nazi occupation until German treatment became harsh enough to give some life to the Resistance. Even after that the Resistance was small, insignificant, and often more concerned with internecine struggles over tactics and post-war influence than with fighting the Germans.

To suggest that the eventual fate of captured Jews was unknown to the French who helped capture them, and ruthlessly filled the infamous *vel d'hiv* and camps like Drancy, is to beg the question of guilt in a despicable way. Germans too used that hollow argument, even in towns like Dachau.

Despite films like *Lacomb Lucien*, *Au Revoir les Enfants*, and even *Le chagrin et la pitié* (not a feature but a documentary)—none of which were popular in France, and the last of which was banned from normal cinema circuits—the knowledge of French complicity in the Nazi occupation and in the Holocaust has even today penetrated only to a shallow depth in French society. At best, the Gaullist myth of an "eternal France" that offered a unanimous wall of resistance to German forces has been destroyed. But relatively few in the French body politic care much. All that was, in effect, in "another country"; besides, all those Jews are dead.

Mr. Laughland's rather Pecksniffian attempt to whitewash Vichy and Mr. Papon does not help to create an international set of criteria for judgment in these matters. As he points out, present efforts are confused, not very satisfactory, often uncertain. But the matter of French complicity and guilt is not uncertain. It is all on record, much of it well set out in a recent book, *Occupation*, by the English author Ian Ousby; I recommend it for Mr. Laughland's close attention.

*Herb Greer*
*Manchester, England*

## *Laughland replies:*

YOUR CORRESPONDENTS typify exactly the attitude I was attacking in my article. I did not say that Vichy should be exonerated of guilt but instead that its guilt was not the same as Nazi Germany's. To put the two on par with one another, as the Papon trial and your correspondents do, is to render a dangerous disservice to historical memory because it obscures the specificity of Germany's political responsibility.

As Eugen Weber of UCLA argued in *The National Interest* (Summer 1997), one must also distinguish between Vichy and the pro-Nazi collaborators in Paris. Anne-Elisabeth Moutet's elision of Papon with Robert Brasillach, the leading and virulent anti-Semitic ideologue, and with other Parisian phenomena, is a good example of such moral blindness. As Arno Klarsfeld, the leading prosecution attorney, has written, Papon was not anti-Semitic and he



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

never desired the death of the deportees (see *Papon, Un Verdict Français,* pp. 151, 156). His father, Serge Klarsfeld, France's leading Nazi hunter, has said that Papon's role in the Holocaust was "anecdotal."

It is Ms. Moutet's figures for deportations which are skewed, not mine. Just over two–thirds of the 75,721 Jews deported from France to their deaths were foreign nationals, mostly recent refugees. The figures I gave do not leave them out, they include them. Other countries with as many wide open spaces as France deported a far higher percentage than the 25 percent of Jews, foreign or French, who were living in France at the time: Norway (50 percent), Yugoslavia (80 percent), or Hungary (50 percent of the 400,000 Jews in Hungary, and the vast majority of the 250,000 Jews in occupied Transylvania). Of course it is legitimate to disagree about how one should interpret these comparative figures (for instance, Paxton and Marrus, the recognized authorities, do not accept that they attenuate France's guilt) but why should Moutet want artificially to inflate what is already an appalling figure? If she doubts the numbers, she can contact the Association of the Sons and Daughters of Jewish Deportees from France in Paris, tel. 0145611878.

Of course the Gaullist myth of unanimous resistance was bunk, but so is the opposite idea, propagated by your correspondents, of unanimous eager collaboration and of nonexistent or merely opportunistic resistance. Greer's depiction of the French as tolerating or welcoming the Nazi invasion is grotesque. In the words of former President Valéry Giscard d'Estaing, "The French did not resist as much as was said after the war, but neither did they collaborate as much as people are now trying to pretend." If the trial taught a lesson, it is that the really untrue part of the postwar Gaullist myth was the pretence that there was an absolute dividing line between Pétainism and Gaullism. In the minds of many, they were just different forms of resistance. It is not I who am saying this: numerous Gaullist veterans said it during the trial.

Finally, it is revealing that neither of your correspondents bothers to discuss what Papon actually did. A criminal trial, and any discussion of it, has to deal with the facts. If your correspondents think that I have overlooked some piece of evidence produced in court, why did they not say so in their letters? In her confused and confusing rebuttal, Moutet seems to describe Papon as "a middle-level Vichy cadre relatively untainted by collaboration." This is precisely my point.

## Loose Cannon:

BRUCE BLAIR'S review of *War Scare* by Peter Pry ["Loose Cannon", Summer 1998] warrants a comment. While offering considerable praise for Pry's effort, a recurring theme in Blair's review is that his assessments are rash and "overblown." But Pry goes to commendable lengths in *War Scare* to present supporting evidence for his conclusions. For example, in Pry's discussion of the nuclear alert during the August 1991 attempted coup, he gives us the actual text of Defense Minister Yazov's orders, eyewitness and participant accounts, and the results of Russian military and civilian official inquiries. In his assessment of the 1993 parliamentary crisis, Pry similarly presents considerable previously unpublished documentation to buttress his general conclusions.

Pry's interpretation of these cases appears compatible with the considerable evidence he has marshaled. His interpretations are not the only ones possible, of course, but they are not unreasonable, and our access to previously unpublished source material courtesy of Pry's hard work is a real treat in this traditionally evidence-impaired field of study. Blair's repeated comments about "overblown conjecture" show disdain for the evidence Pry presents in support of his interpretation of events. Pry's book is provocative, as Blair observes. It also is disturbing, precisely because the extensive evidence Pry gives us makes his particularly gothic interpretations plausible—which may be as close as we can get to knowing the details in an arena so shrouded in secrecy.

*Keith B. Payne*
*National Institute for Public Policy*



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BRUCE BLAIR'S REVIEW of Peter Pry's book, *War Scare*, is surprising and disappointing. Though Blair contends that Pry is prone to conspiracy thinking about the Soviet and Russian General Staff, Pry's conclusion is actually more cautious than the evidence suggests. As Pry richly documents, and Blair ignores, Russian military leaders hold to a very different, less sanguine view of the world than we do in the United States.

Blair is inconsistent, too. He praises Pry for the "rewarding amount of new information and insight into Russia's nuclear netherworld", yet damns him because he "stretches his thesis beyond its tinsel strength." At no point, however, does Blair dispute any of the evidence, or offer any credible evidence to the contrary. He does dispute Pry's interpretation, but offers no better alternative. . . .

Actually, what seems to be at work is the sharp differences in threat perceptions, and consequent policy prescriptions, between the two. Blair's objections appear to center on Pry's conclusion that the Russian military's profound fear that the United States might attack a weakened Russia is at the core of the current Russian nuclear threat. Blair sees the threat as more a matter of command and control deterioration that could lead to war through technological failure. Consequently, Blair thinks the General Staff is basically reasonable and needs U.S. financial help to resolve technical difficulties. Pry, however, argues that erroneous—and hostile—Russian threat perceptions are the real problem, and prefers a sound U.S. nuclear deterrent and, one may infer, a national missile defense. The policy prescriptions are not mutually exclusive, though Blair's review fails to admit as much.

*Mark T. Clark*
*California State University, San Bernardino*

## A Misleading Juxtaposition:

HALF A PAGE at the end of my article on Australia and the Asian Crisis in the Summer 1998 issue is filled by a box containing a blanket assertion from Paul Krugman that every "pundit" now claims the East Asian downturn has served only to validate whatever view of those economies he or she previously held. I found the juxtaposition unfortunate, given that I have not changed my own view of the institutions of East Asia coming under severe competitive pressure, currency crisis or not. . . .

Two others who have resiled from their former opinions about the strength of East Asia are Clyde Prestowitz (*Trading Places*) and Jeffrey Garten (*The Big Ten*). I also suggest that Kishore Mahbubani's "Can Asians Think?" in the same issue of *The National Interest* represents a shift in his views toward a fairer appreciation of the relative merits of Western systems. □

*Eric Jones*
*Melbourne Business School*

### *Letters to the Editor*

*We welcome brief comments (under 300 words) from our readers. Due to space constraints, all letters are subject to editorial revision. Remarks should be addressed to:*

Managing Editor
*The National Interest*
1112 Sixteenth Street, NW
Washington, DC 20036

*Or send us an e-mail at:*
natint@clark.net


### A Service For Our Australian Readers:

A one-year subscription to *The National Interest* may be ordered by sending A$42 to:

The Institute of Public Affairs
128-136 Jolimont Road
Jolimont, Victoria 3002

Please make cheques payable to the Institute of Public Affairs.




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# America and the Euro Gamble

Owen Harries

AS THE AMERICAN foreign policy establishment has been preoccupied in recent months with such things as the fall of Suharto, the Indian bomb, and Kosovo—all serious issues—an event of much greater long-term significance has received scant attention.

This is the adoption of a common currency—the euro—by the members of the European Union. This has the potential of changing the basic structure of world politics by bringing the brief era of the single superpower world to an abrupt end. For a common currency implies political unity. While Americans worry about the emergence of China as a rival that will challenge the supremacy of the United States, a United Europe will be a much better equipped and more convincing candidate for that role.

That is the geopolitical significance of the creation of European Monetary Union (EMU). Despite that significance, however, the event has received very modest attention in the American media. In so far as they have paid attention to EMU, the main theme has been that of uncertainty. Until a few months ago, there were serious doubts as to whether the thing would get off the ground at all; then, once it became clear that it would, uncertainty shifted to prospects of its success. In the first half of May, for example, the *New York Times* published two articles on the subject under the titles "Europe's Colossal Coin Toss" and "Rolling Some Big Dice in the Euro Casino"; and when the Washington-based magazine *International Economy* ran a symposium on the subject, it put on its cover two huge dice. Newt Gingrich characterizes the common currency as "an extraordinary experiment—and an extraordinary gamble." James Glassman, in a generally favorable analysis of the move toward the euro in *U.S. News and World Report*, acknowledges that it is "the greatest financial experiment in the past quarter century, and no one can foresee its consequences." The emphasis on the element of risk and uncertainty, then, is pronounced.

There are exceptions, of course, and some influential figures come down unambiguously on one side or the other. The distinguished Harvard economist, Martin Feldstein, writing in *Foreign Affairs* and the *New York Times*, insists that the EMU venture is a serious mistake, pregnant with political and economic trouble. So does the *New York Times* columnist William Safire. On the other hand, Jeffrey Garten, dean of the Yale School of Management, writing in *Business Week*, asserts firmly that EMU will succeed, and that the United States should be bracing itself to meet the challenge it will pose.

Garten at least acknowledges that EMU will represent a serious problem for the United States. The Clinton administration's position is that it will do nothing of the kind. If uncertainty has characterized the media, serene confidence apparently prevails in official circles. The assumptions there are that, as

Owen Harries is editor of *The National Interest*.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a major step toward European integration, EMU is, without qualification, a good thing, and that there will be a complete harmony of interests between the anticipated United Europe and the United States of America. Thus President Clinton: "I have never felt the United States should feel threatened by the prospect of a European Currency nor by the prospect of European integration in general" (*Euro* magazine, September 1997); and again, "An integrated Europe is America's natural best partner for the 21st century" (*Financial Times*, May 5, 1998).

Officials express themselves a bit more guardedly, but convey essentially the same message. In the same issue of the *Financial Times*, for example, Lawrence Summers, deputy secretary of the Treasury, puts it in conditional terms: "If EMU is good for Europe, it will be good for us." But the qualification here—the "If" word—refers only to the euro's prospects of success and does not challenge the assumption of a harmony of interests across the Atlantic. It is still taken for granted that European and American interests coincide on this issue, that it is a plus, not a zero, sum game. The prevailing line is that the only thing that would cause problems for the United States is the failure of EMU, not its success.

All this is very questionable. American conventional wisdom about Europe reflects the mental habits of half a century, rather than serious thought about the particular issue of EMU (or, for that matter, about that other contentious issue, the expansion of NATO). For nearly fifty years it has been an article of faith for Americans that European division is a bad thing, the cause of wars; that Europe should therefore be urged to integrate; and that a federal United States of Europe, created in emulation of the United States of America, would be the best outcome of such a process of integration. All very comfortable and reassuring, but are these assumptions likely to hold as things proceed? I think not.

Henry Kissinger has identified a paradox concerning the future of EMU: "It is difficult to see how the European Monetary Union can succeed. It is even more difficult to imagine that it will be permitted to fail" (*Washington Post*, May 12, 1998). The fact is, however, that it is almost certainly going to do one or the other over the next few years, and it is worth considering now what would be the consequences for the United States of either outcome.

THE REASONS WHY EMU might fail have been well rehearsed by its critics. It is, allegedly, putting the economic cart before the political horse. It is imposing a single currency on what is not a single economy. It will deprive individual countries and economies of the shock absorbers and safety valves necessary to cope with local and regional economic problems—the "asymmetrical shocks" that will occur inevitably to economies in different stages of development and different phases of the trade cycle. It will require the peoples of Europe to endure stern measures, imposed not by their own government but by an external body in which foreigners will always constitute a majority—conditions that, as former European Commissioner Christopher Tugendhat suggests, will "become a gift to every xenophobic and chauvinistic politician in Europe." There will be serious differences—there are already—concerning the priorities and policies of the European Central Bank. Before it has proceeded very far, the whole project will demand a degree of political unity going far beyond the Europe of nations envisaged by De Gaulle, a condition that will prove unsustainable in a highly differentiated continent lacking a common language and culture. And so on and on.

The political and economic strains are clearly going to be very formidable. Given the enormous political capital vested in it, should these cause EMU to end up as a dismal failure the consequences will be dire. These consequences will include the discrediting of whole political establishments, the collapse of the momentum of what has been the central driving idea in the continent over the last



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

decade, a resulting conceptual void and a general demoralization, and bitter mutual recrimination and scape-goating (both within individual countries and among them)—in short, political turmoil on a serious scale. Kissinger anticipates that the Europe that would result would be "either extremely left wing or extremely right wing, or a combination of both."

All this would be a matter of extreme concern for the United States. It would mean that a major part of the world's "zone of peace" would have become a zone of turbulence. Anti-Americanism would certainly be a prominent feature of the scape-goating process. At the same time, Washington would be required to take a leading part in sorting out the mess. All pretty bad—and especially bad because there would be no mechanisms in place to reverse the process; that is, to allow easy and peaceful withdrawal from the union by those who had become thoroughly disenchanted with it (as some Americans will recall, a state of affairs roughly analogous to that existing in their own country in the period leading up to the Civil War).

FROM ALL THIS it might seem self-evident that, indeed, for America the success of EMU must be far preferable to its failure. But success would also have its serious downside. A very successful EMU, with the political unification it would necessarily involve, would amount to the creation of a second, and rival, superstate. It would have a larger economy and a larger population than the United States, as well as comparable intellectual, scientific, and technological capital—a combination of features that the Soviet Union never had and that China will not have for a long, long time. As to what kind of policies this new superstate would pursue, one cannot be certain. But if one believes, as I do, that there is a lot of accumulated but suppressed resentment in Europe of its subordination to and dependence on the United States over the last half a century, then one would expect the expression of that pent-up resentment to be a cardinal feature of the new superpower's behavior—certainly in the form of an assertion of independence and difference; probably in the form of competition, obstruction, and rivalry; possibly in the form of outright hostility.

That resentment is today most evident in the case of France, but it should not be assumed that it is restricted to France. Even as things stand today, most European states disagree with the United States over a host of issues, among them extraterritorial sanctions, the power of international criminal courts, Arab-Israeli relations, and the policy of dual containment in the Persian Gulf. If, as happened earlier this year, France can stymie U.S. policy toward Iraq even with a weak partner like Russia, how much more will it be capable of thwarting Washington's will if and when it has the weight of "Europe" behind it?

In his discussion of this issue, Kissinger poses it in terms of a prospective competition between Britain and France as to whether an attitude of Atlantic cooperation or Atlantic challenge should come to characterize a European foreign policy. But put in those terms it is surely no contest. Britain is at best going to be a late arriving, reluctant, and somewhat marginalized member of Europe; France is at its heart and dominates its powerful bureaucracy. But what about Germany—might it not restrain, and prevail over, the French in foreign policy? That seems very doubtful. The Germans are largely passive in foreign policy, self-distrusting and full of self-doubt; indeed, it is precisely a distrust of his own people that has seemed to motivate Helmut Kohl most strongly in his insistence on a rapid move toward a united Europe. The French, on the other hand, have strong views and are expert at playing games of diplomatic chicken to get those views accepted. In the shaping of a new Europe, it is not unlikely that an implicit bargain will be struck: the Germans will substantially have their way on economic policy and expansion to the east, in return for which the French will be allowed to make the running on foreign policy, especially in its Atlantic and global dimensions.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If indeed this happens, the consequences for the United States will not be pleasant, and there will be a strong feeling of resentment on this side of the Atlantic at what many Americans will regard as base ingratitude. For just as Europeans have resented their dependence on the United States over the last half century, Americans will surely and bitterly resent any effort to displace them (first regionally and then globally) as the dominant power, especially should it look capable of succeeding.

THERE WAS AN interesting foretaste of this recently at a meeting at the American Enterprise Institute, a Washington think tank. In the discussion following a talk by former British Defense Minister Michael Portillo, one senior fellow, a specialist in foreign policy, characterized an anticipated attempt by a European superpower to compete with the United States for the position of dominance as "malign." He did so with the air of someone making an obvious point. To his credit Portillo immediately disassociated himself from that view, but it may be a sign of things to come. Certainly those Americans now fond of describing their country as "the sole remaining superpower", "the benign hegemon", and "the indispensable nation"—and their ranks include not only ardent conservatives but the current secretary of state—would fiercely resent being seriously challenged, let alone displaced, by a more populous and prosperous Europe.

If all this is right, then a smashingly successful EMU would mean not a strengthening of that entity known as "the West" but its sundering. A few years ago I wrote an article for *Foreign Affairs* arguing that, in its political sense, "the West" was a construct essentially born of a shared sense of danger and fear, not of natural affinity, and that it tends to break up into its constituent—and rival—parts in more placid periods. I believe a successful EMU process leading to European political unity would prove this true.

If both dismal failure and smashing success hold out unattractive prospects for the United States, what is the best outcome that could be hoped for from an American point of view? When I put this question to Portillo at the AEI meeting, he first answered that he considered failure preferable to success. But after further thought he said, "What I really aspire to is untidiness." I suppose that I mean something similar when I say that moderate and inconclusive success or failure, spun out over an extended period, would be a better outcome than a sudden and spectacular conclusion in either direction. But whether such moderation is going to be possible is a moot point. It is in the nature of big gambles that they tend to be a matter of double or quits, all or nothing at all.

This analysis will no doubt strike some as unduly alarmist. But after half a century without serious conflict in the West, and in the wake of the triumphant end of the Cold War, the main cause for concern today stems not from the exaggeration of danger but from complacency and a facile optimism. Someone once said—was it Henry James?—that those who lack the imagination of disaster are doomed to be surprised by the world. At the beginning of this century, after decades of peace had dulled its sense of danger, a prosperous and self-satisfied Europe experienced such a disastrous surprise. Today, action based on a set of mutually reinforcing assumptions—that liberal democracy has triumphed decisively and permanently; that democracies do not fight each other; that the market economy will indefinitely produce the goods; that interdependence naturally creates harmony; that nationalism is an artificial, invented phenomenon; that being "whole" is Europe's proper and natural condition—risks producing more very nasty surprises, unless it is balanced and restrained by an awareness of the possibility of disaster. □

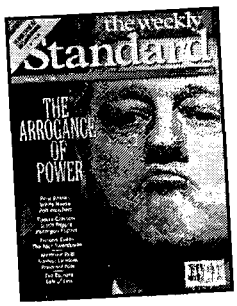


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# the weekly Standard

"*The Standard* is required reading up here. You have to see it to be part of the conversation."
- John Kasich, House Budget Committee Chairman

"...The most intelligent, aggressive and well-written publication out there."
- *National Journal*




***Save 50% Off Our Regular Subscription Rate!***

*The Weekly Standard* is the nation's foremost journal of conservative politics and opinion. For a limited time, readers of *The National Interest* can save 50% off our regular subscription rate of $78 - that's $39 for an entire year of insightful, incisive news and commentary from Bill Kristol, Fred Barnes, David Brooks, Tucker Carlson, Christopher Caldwell, Andy Ferguson, David Frum, Robert Kagan, Charles Krauthammer, P.J. O'Rourke, David Tell and many others. Don't miss another issue of America's best political journal. Subscribe to *The Weekly Standard* today!

**To order, call toll-free 1-800-283-2014, ext. 4861 or return the reader response form below.**

Special to readers of THE NATIONAL INTEREST: *50% OFF* our regular $78.00 subscription rate - that's $39 for an entire year.
YES! Please rush me my first issue of *The Weekly Standard*!

❑ Please bill me ❑ Payment enclosed

**Send to: The Weekly Standard, P.O. Box 96110, Washington, DC 20078-7769**

**Name** _____

**Address** _____

**City** _____

**State** _____ **Zip** _____

**The Weekly Standard** is published 48 times annually. Please allow 3-5 weeks for delivery of first issue.
Cover price is $3.50. Rates good only in U.S.A.


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"IT SEEMED FANTASTICAL that such a threat to independent civil society could come out of the Ford corner, but in fact the Ford Foundation was actually financing the body pushing this monstrous bill, and continued to do so even when other sponsors drew back aghast. . . ."

*—R.W. Johnson on South Africa*

"IN POLITICS, one should never use the words 'never' or 'end.' One simply does not know where Europe will 'end', say, fifty years from now, and hence one cannot also postulate that Russia should 'never' be considered for membership."

*—Zbigniew Brzezinski on NATO*

"ALTHOUGH Holbrooke is rarely accused of excessive modesty, his achievement is actually understated in this book—simply because he is careful not to draw attention to how little active support he got from his own President."

*—Paul Wolfowitz*

"OUR EDGE in technology is continuously eroding. The showcasing of such technologies during the Gulf War means that no one will ever again be surprised."

*—James Schlesinger on Defense*

"UNLESS bachelorhood suddenly becomes much more socially acceptable in East Asia, both China and South Korea are poised to experience an increasingly intense, and perhaps desperate, competition among young men for their country's limited supply of brides."

*—Nicholas Eberstadt on Asian population trends*

"IT IS ONLY when the two qualities of heroism and meekness are cunningly combined that they earn unmitigated contempt. Are you prepared to fight? Because if not you had better hold your tongue."

*—Lord Salisbury*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED